

ARIZONA HOUSE OF REPRESENTATIVES  
Forty-eighth Legislature - Second Regular Session

## MAJORITY CAUCUS CALENDAR

April 8, 2008

Bill Number	Short Title	Committee	Date	Action	
<b>Committee on Counties, Municipalities and Military Affairs</b>					
<b>Analyst: Thomas Adkins</b>		<b>Intern: Mark Kelly</b>			
SB 1385	municipal plans; neighborhood element				
SPONSOR:	TIBSHRAENY	CMMA	4/1	DP	(7-0-0-3-0)
SB 1387	real estate disclosure; training ranges				
SPONSOR:	BEE	CMMA	4/1	DPA	(9-0-0-1-0)
<b>Committee on Commerce</b>					
<b>Analyst: Diana O'Dell</b>		<b>Assistant Analyst: Tony DeMarco</b>			
HB 2863	provisions; Arizona temporary worker program.				
SPONSOR:	KONOPNICKI	COM	4/7	DP	(7-2-0-1-0)
HCM 2013	Arizona temporary worker program; memorial.				
SPONSOR:	KONOPNICKI	COM	4/7	DP	(5-2-1-2-0)
SB 1050	court reporter certification				
SPONSOR:	GRAY L	COM	4/2	DP	(6-0-0-4-0)
SB 1133	AHCCCS; DES; new hires directory				
SPONSOR:	LEFF	COM	3/19	DP	(9-0-0-1-0)
SB 1232	real estate department; designation removal				
SPONSOR:	LEFF	COM	4/2	DPA	(9-0-0-1-0)
<b>Committee on Education (K-12)</b>					
<b>Analyst: Jennifer Anderson</b>		<b>Intern: Katherine Nikas</b>			
SB 1081	TAPBI program; administrative salaries				
SPONSOR:	GRAY L	ED	4/2	DP	(8-0-0-2-0)
SB 1230	school safety; school misconduct				
SPONSOR:	GRAY L	ED	3/19	DPA	(8-0-0-2-0)
SB 1341	schools; employee code of conduct				
SPONSOR:	GRAY L	ED	4/2	DPA	(6-2-0-2-0)
SB 1401	school safety program; reserve officers				
SPONSOR:	BEE	ED	3/26	DP	(5-4-0-1-0)
<b>Committee on Environment</b>					
<b>Analyst: Justin Riches</b>					
SB 1095	air quality; clean burning gas				
SPONSOR:	FLAKE	ENV	4/2	DP	(8-0-0-2-0)
SB 1384	Arizona emissions bank				
SPONSOR:	BLENDU	ENV	4/2	DPA	(9-0-0-1-0)

**Committee on Financial Institutions and Insurance****Analyst: Stacy Weltsch****Intern: Kimberlee Heywood**

SB 1043 real estate disclosure; liens  
(FII S/E: home equity purchasers; licensing)  
SPONSOR: TIBSHRAENY FII 3/31 DPA/SE (9-0-0-1-0)  
SB 1163 replacement policies; application of law  
SPONSOR: GORMAN FII 3/31 DP (8-0-0-2-0)

**Committee on Government****Analyst: Michelle Hindman****Intern: Zach Tretton**

SB 1164 limited liability company; purpose  
(GOV S/E: healthcare group; report; temporary freeze)  
SPONSOR: GORMAN GOV 4/1 DPA/SE (5-2-0-1-0)  
SB 1215 charter schools; approved plans; renewal  
SPONSOR: JOHNSON GOV 4/1 DP (7-0-0-1-0)  
SB 1255 administrative rules oversight committee.  
SPONSOR: BURNS GOV 4/1 DP (6-0-1-1-0)  
SB 1456 public records; storage  
SPONSOR: GOULD GOV 4/1 DP (6-0-0-2-0)  
SB 1502 professions; occupations; initial regulation  
SPONSOR: GORMAN GOV 4/1 DP (7-0-0-1-0)

**Committee on Health****Analyst: Dan Brown****Intern: Matthew Flannery**

SB 1141 defibrillators; good Samaritans  
SPONSOR: LEFF HEALTH 3/12 DP (7-0-0-3-0)  
SB 1286 behavioral health board; continuation  
SPONSOR: O'HALLERAN HEALTH 4/2 DP (7-0-0-3-0)  
SB 1287 dental board; omnibus  
SPONSOR: O'HALLERAN HEALTH 4/2 DP (10-0-0-0-0)  
SB 1356 infection prevention; advisory committee  
SPONSOR: O'HALLERAN HEALTH 3/26 DP (7-1-0-2-0)  
SB 1418 ~~AHCCCS; tobacco cessation medication; coverage~~  
(Now: tobacco cessation medication; coverage; AHCCCS)  
SPONSOR: LEFF HEALTH 3/26 DP (6-0-0-4-0)

**Committee on Higher Education****Analyst: Ingrid Garvey****Intern: Ellen Craswell**

SB 1277 task force; retraining disabled veterans  
SPONSOR: HUPPENTHAL HED 3/18 DPA (8-0-0-2-0)

**Committee on Human Services****Analyst: Eden Rolland****Intern: Janice Almond**

SB 1441 foster care; expedited permanency  
SPONSOR: LANDRUM TAYLOR HS 4/3 DPA (7-0-0-3-0)  
SB 1442 dependent children; placement; hearings  
SPONSOR: LANDRUM TAYLOR HS 3/27 DP (7-0-0-3-0)

**Committee on Homeland Security and Property Rights****Analyst: René Guillen****Intern: Debra King**

SB 1452 homeowners' associations; foreclosures; voting rights  
SPONSOR: GOULD HSPR 3/31 DP (8-0-0-2-0)  
SB 1491 subdivision reports; notice  
SPONSOR: GORMAN HSPR 3/31 DPA (6-2-0-2-0)

**Committee on Judiciary****Analyst: Kristine Stoddard****Intern: Adrienne Bowers**

SB 1016	unlawful sexual conduct; correctional facilities				
SPONSOR:	GRAY C	JUD	4/3	DP	(7-0-0-3-0)
SB 1186	judicial performance reviews; court commissioners				
SPONSOR:	GRAY C	JUD	4/3	DP	(7-0-0-3-0)
SB 1274	ACJC; cold case investigation protocol				
SPONSOR:	HUPPENTHAL	JUD	4/3	DP	(7-0-0-3-0)
SB 1412	biological evidence; retention; preservation				
SPONSOR:	HUPPENTHAL	JUD	4/3	DPA	(8-2-0-0-0)

**Committee on Natural Resources and Public Safety****Analyst: Ralene Whitmer****Intern: Bethany Slim**

SB 1339	law enforcement; probation; officers; investigations				
SPONSOR:	GRAY L	NRPS	4/2	DP	(9-0-0-1-0)

**Committee on Transportation****Analyst: John Halikowski****Intern: Rick Hovden**

SB 1156	automobile theft authority; public records				
SPONSOR:	GRAY C	TRANS	4/3	DPA	(9-0-0-1-0)
SJR 1001	Hashknife pony express memorial trail				
SPONSOR:	FLAKE	TRANS	4/3	DP	(9-0-0-1-0)

**Committee on Water and Agriculture****Analyst: Kathi Knox****Assistant Analyst: Liz Dunfee****Intern: Sarah Cuneo**

SB 1326	exempt wells; internal reference corrections				
SPONSOR:	FLAKE	WA	3/27	DP	(7-0-0-3-0)

**Committee on Ways and Means****Analyst: Kitty Decker****Intern: Leanne Cardwell**

SB 1340	tax exemption; internet applications				
SPONSOR:	BEE	WM	3/17	DPA	(7-1-1-1-0)



# HOUSE OF REPRESENTATIVES

## SB 1385

municipal plans; neighborhood element

Sponsor: Senator Tibshraeny

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**DP** Committee on Counties, Municipalities and Military Affairs

**X** Caucus and COW

House Engrossed

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SB 1385 requires cities of 50,000 or more persons to include a neighborhood preservation and revitalization element in their general plans.

### **History**

A.R.S. Section 9-461 defines a *general plan* as a municipal statement of land development policies, which may include maps, charts, graphs and text which set forth objectives, principles and standards for local growth and redevelopment enacted under the provisions of Arizona statute. In addition, a *planning agency* is defined as the official body designated by local ordinance to carry out the municipal planning process and may be a planning department, a planning commission, a hearing officer, the legislative body itself, or any combination thereof.

Pursuant to A.R.S. Section 9-461.01, legislative bodies of municipalities may establish a planning agency. The planning agency is required to do the following:

- Develop and maintain a general plan.
- Develop such specific plans as may be necessary to implement the general plan.
- Periodically review the capital improvement program of the municipality.
- Perform such other planning functions as the legislative body may provide.

Currently, cities with 50,000 persons or more are required to include a conservation, rehabilitation and redevelopment element in their general plans. One component of this element must focus on neighborhood presentation and revitalization.

### **Provisions**

- Requires cities of 50,000 persons or more and allows cities of less than 50,000 to include in their general plans a neighborhood preservation and revitalization element that includes:
  - A component that identifies city programs that promote home ownership, provide assistance for improving the appearance of neighborhoods and promote maintenance of both commercial and residential buildings in neighborhoods.
  - A component that identifies city programs that provide for the safety and security of neighborhoods.
- Removes the requirement for 50,000-person cities to include a neighborhood preservation and revitalization component in their conservation, rehabilitation and redevelopment element of their general plans.
- Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

SB 1387

real estate disclosure; training ranges

Sponsor: Senator Bee

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**DPA** Committee on Counties, Municipalities and Military Affairs

**X** Caucus and COW

House Engrossed

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SB 1387 requires municipalities and counties to notify the military installation commander of a military electronics range (MER) when certain land use applications are deemed complete. Additionally, land sellers must disclose whether or not the property up for sale is located in a MER.

## History

Pursuant to A.R.S. Section 28-8481, political subdivisions with territory in the vicinity of a military airport must adopt comprehensive and general plans along with zoning regulations for property in high noise or accident potential zones to ensure compatible development with the military operations at the airport.

Currently, the Real Estate Commissioner (Commissioner), upon examination of a subdivision, must publish a report that states whether or not any part of the land is under restricted airspace or a military training route, which is low level military route used by aircraft of the U.S. Department of Defense. Sellers of five or fewer parcels of land in an unincorporated area of a county must furnish a written affidavit of disclosure to the buyer that discloses, among other things, whether or not the property is located in a clear, accident potential or high noise zone of a military airport or is located under military restricted airspace.

Ft. Huachuca is located in southern Arizona and serves as the home of the U.S. military's electronics testing. In 1967, the installation became the headquarters of the U.S. Army Strategic Communications Command because of its one of a kind topography that allows for unique long-term access to the electromagnetic spectrum.

## Provisions

- Requires municipalities and counties containing any portion of a MER to notify the office of the installation commander when an application is deemed complete to do any of the following within any portion of the MER:
  - Rezone the property.
  - Issue a building or development permit.
  - Subdivide the property.
- Requires official comments from the installation regarding a proposed land use change to be made in writing and received by the proper governing body seven days before the first public hearing on the proposed land use change.
- Prohibits a municipality or county from holding a public hearing on proposed land use changes in a MER if the proposed land use change does not otherwise require a public hearing.

- States that if the installation chooses not to submit official comment, the municipality or county must note at the public hearing that the installation has not indicated an objection to the proposal.
- Requires the notice given by a municipality or county to include a copy of the land use application and the relevant documentation necessary to adequately describe the proposed land use change as it relates to the military operations at the installation. Documentation must include a basic outline of the procedures the governing body uses when processing land use change applications and deadlines for submitting official comments.
- Prohibits a municipality or county from denying any use or occupancy permit, building permit, approval or authorization based on the existence of a MER or its proximity to a parcel of real estate.
- Exempts municipalities and counties from the notification requirements of this Act if a MER map has not been prepared by the State Land Department.
- Requires the Commissioner to execute and record with the county recorder in each county that includes a MER a document that applies to land contained in a MER and that discloses that the land is contained in a MER. If the MER boundaries change, the Commissioner must record a document for land no longer contained in the MER.
- Specifies that documents related to MERs recorded executed and recorded by the Commissioner must include a geospatial description of the MER as delineated in the MER map.
- Requires the Attorney General to prepare in recordable form the documents that are executed and recorded by the Commissioner.
- Requires the Department of Real Estate to post a map of the MER of a military installation on its website as prepared by the State Land Department.
- Requires the Commissioner, when a property is contained in a MER, to disclose with that the property is contained in a MER in a public report authorizing the sale of the property.
- Stipulates that MER reporting requirements apply only to public reports issued by the Commissioner on or after January 1, 2009.
- Specifies the required language in affidavits of disclosure regarding the presence of a MER.
- Requires the State Land Department, within 90 days after the effective date of this Act and on receipt of proper information from the military installation commander responsible for a MER, to prepare a map of the MER and make it available to the public and Department of Real Estate in printed or electronic form.
- Requires the State Land Department, within 90 days of receipt of notice of any change in the boundaries of a MER from the military installation commander, to revise its MER map and provide it to the public and the Department of Real Estate.
- Allows the State Land Department to accept title to and manage real estate, property rights and related infrastructure acquired pursuant to statute for preserving or enhancing Arizona military installations.
- Requires the Department of Veterans' Services to transfer any real estate, property rights and related infrastructure to the State Land Department for the purposes of preserving or enhancing Arizona military installations.
- Defines the term *military electronics range*.
- Makes technical and conforming changes.

### Amendments

#### **Counties, Municipalities and Military Affairs**

- Clarifies that only public reports issued 61 or more days after a MER map is prepared must meet the new notification requirements of this Act.
- Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

## HB 2863

provisions; Arizona temporary worker program.

Sponsors: Representatives Konopnicki, Lopes, Weiers J, et al (with permission of committee on Rules)

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**DP** Committee on Commerce

**X** Caucus and COW

House Engrossed

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HB 2863 creates the Arizona Temporary Worker Program (ATWP).

### **History**

As far back as World War I, and the *Bracero* program during WWII, the United States (US) has had various forms of guest worker programs in effect with Mexico and other foreign nations.

Today, guest worker programs are more informally established through nonimmigrant visas. Although there are 23 visa classifications that are commonly used by a foreign national to obtain legal employment in the US, they can be placed into 10 general categories: E, H, I, J, L, O, P, Q, R, and TN.

The most predominant nonimmigrant worker visas are the H-2A (temporary agricultural worker) and the H-2B (temporary workers performing other services or labor, skilled or unskilled) visas. Although the H-2B visa is limited by a statutory cap, the H-2A classification is uncapped. The US Department of Homeland Security has been working since late 2007 to improve and streamline the H-2A programs in order to meet the demand from employers.

Although the State Department and US Citizenship and Immigration Services play roles in determining whether a foreign national may enter the US, ultimately Immigration and Customs Enforcement is the authority on an individual's entry across US borders and the duration of their stay.

### **Provisions**

#### ***Arizona Temporary Worker Program (ATWP)***

- Establishes ATWP to provide foreign workers to Arizona employers experiencing a labor shortage.
- Requires employers to apply to the Industrial Commission (Commission) and utilize E-Verify in order to participate in ATWP.
- Authorizes the Director of the Commission to assess an application fee.
- Requires the Commission to prescribe the application, which must include:
  1. The name, address and federal income tax identification number of the employer.
  2. The employer's business industry.
  3. A description of the labor shortage and an explanation of the employer's efforts to obtain sufficient local labor.

4. A signed, sworn affidavit indicating that the employer cannot find authorized labor in the US. *False statements on the affidavit are subject to the crime of false swearing.*
  5. Any additional information required by the Commission.
- Requires the Commission to review and approve or deny an application within 30 days of receiving the application.
  - Authorizes participating employers to recruit foreign workers at a US Consulate in Mexico.
  - Requires employers to obtain an application from a foreign worker, which is to be completed at the US Consulate. The application must include:
    1. The applicant's name.
    2. A photograph of the applicant.
    3. The applicant's fingerprints.
    4. Any other information required by the Commission.

***Eligibility and Background Checks***

- Requires the Commission to coordinate with the Department of Public Safety (DPS) to conduct state and federal criminal records checks to determine a foreign worker's ATWP eligibility. *The Commission is authorized to charge employers a fee for the checks.*
- Requires participating employers to obtain a Mexican criminal records check and submit the results to the Commission.
- Stipulates that a foreign worker who has been convicted of a crime in the US or has been convicted of a crime in Mexico that would have been a class 1 misdemeanor or a felony in Arizona is ineligible to participate in ATWP.

***Temporary Worker Legal Identification Card (ID)***

- Requires the Arizona Department of Transportation (ADOT) to prepare temporary worker legal identification cards to be provided to the Commission. *The ID must be non-forgable and meet federal law requirements.*
- Requires the ID to clearly indicate the date on which the card holder's authorized presence expires.
- Authorizes the Director of the Commission to charge employers a fee for issuing an ID. *Fees collected are to be used for administrative costs incurred by ADOT for preparing the cards.*
- Requires the Commission to issue an ID to foreign workers approved to participate in ATWP and notify DPS.
- Requires DPS to maintain a database of approved foreign workers.
- Stipulates that the ID is issued to the employer, who is then responsible for delivering the ID to the approved foreign worker.



- Requires employers to return IDs to the Commission, if the Commission determines that the employer knowingly failed to deliver the ID to the approved worker. *Failure to surrender the ID to the Commission renders an employer ineligible to participate in ATWP.*
- Prohibits approved foreign workers from the following:
  - Transporting a family into this state unless the family member has obtained proper federal authorization.
  - Filing for unemployment benefits.
- Authorizes an approved foreign worker with a valid ID to travel between the US and Mexico. *Approved foreign workers can only work in Arizona and cannot travel to any other state.*

#### ***ID Revocation***

- Requires the Commission to revoke an ID if the foreign worker is either:
  1. Reported absent from work without approval for 14 consecutive days.
  2. Unable to be located by an employer.
  3. Determined to have traveled outside of Arizona.
  4. Convicted of a crime in Arizona.
  5. No longer employed by an employer.
  6. Gives, sells or lends their ID to another person for the purpose of obtaining employment.
- Specifies that if an employer terminates an approved worker, the employer must notify the Commission within three business days.
- Requires the Commission, upon notification from an employer, to revoke the worker's ID.
- Requires foreign workers who have had their ID revoked to leave the state within three business days. *Upon the request of the worker, the Commission may provide up to an additional 14 days.*
- Requires an approved employer, upon the request of the worker, to provide reasonable transportation to the port of entry nearest the US consulate where the foreign worker made the original application.
- Requires the Commission to notify DPS and ICE when an ID has been revoked. *The notification must include the last known address of the unapproved foreign worker.*

#### ***Complaints***

- Allows a US citizen to file a complaint with the Commission if a local worker is terminated or not hired as a result of an employer's participation in ATWP.
- Requires the Commission to evaluate all complaints.
- Specifies that if the Commission receives sufficient complaints against an employer, the Commission must re-examine the employer's participation in ATWP.
- Authorizes the Commission to revoke an employer's participation if it determines that the employer did not take sufficient measures to obtain local workers.

#### ***Miscellaneous***

- Stipulates that unless revoked, IDs are valid for two years and may be renewed.

- Stipulates that fees collected for the application or renewal of an ID and for the background checks are to be distributed to the Commission and DPS for the costs associated with the ID.
- Requires employers to obtain vacation addresses of approved foreign workers, if vacation time is granted and maintain records accordingly. *Failure to maintain these records renders an employer ineligible to participate in ATWP.*
- Requires participating employers to comply with all state and federal labor laws.
- Authorizes the Commission to adopt rules necessary to implement ATWP.
- Stipulates that ATWP expires ten years after the effective date of this act.
- Defines *commission, director, employer, E-Verify program* and *foreign worker*.
- Contains a *conditional enactment* clause specifying that this Act is not effective unless the federal government authorizes ATWP or other similar programs.



# HOUSE OF REPRESENTATIVES

## HCM 2013

Arizona temporary worker program; memorial.

Sponsors: Representatives Konopnicki, Lopes, Weiers J, et al. (with permission of committee on Rules)

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**DP** Committee on Commerce

**X** Caucus and COW

House Engrossed

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HCM 2013 urges federal authorization for the Arizona Temporary Worker Program (ATWP).

### **History**

As far back as World War I, and the *Bracero* program during WWII, the United States (US) has had various forms of guest worker programs in effect with Mexico and other foreign nations.

Today, guest worker programs are more informally established through nonimmigrant visas. Although there are 23 visa classifications that are commonly used by a foreign national to obtain legal employment in the US, they can be placed into 10 general categories: E, H, I, J, L, O, P, Q, R, and TN.

The most predominant nonimmigrant worker visas are the H-2A (temporary agricultural worker) and the H-2B (temporary workers performing other services or labor, skilled or unskilled) visas. Although the H-2B visa is limited by a statutory cap, the H-2A classification is uncapped. The US Department of Homeland Security has been working since late 2007 to improve and streamline the H-2A programs in order to meet the demand from employers.

Although the State Department and US Citizenship and Immigration Services play roles in determining whether a foreign national may enter the US, ultimately Immigration and Customs Enforcement is the authority on an individual's entry across US borders and the duration of their stay.

HB 2791 and HB 2863 have been introduced during the 48<sup>th</sup> Legislature, Second Regular Session and contain provisions for the creation and implementation of an Arizona Temporary Worker Program.

### **Provisions**

- Urges the federal government to authorize Arizona to implement ATWP or a similar program.
- Asks that Congress does not interpret the memorial as a request to create a path to citizenship for foreign workers.
- Requests that Congress does not increase current visa allocation numbers in order to implement ATWP.
- Asks the Secretary of State to transmit copies to of this memorial to the President of the US, the President of the US Senate, the Speaker of the US House of Representatives and Arizona's Congressional delegates.



# HOUSE OF REPRESENTATIVES

## SB 1050

court reporter certification

Sponsor: Senator Gray L

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**DP** Committee on Commerce

**X** Caucus and COW

House Engrossed

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SB 1050 authorizes the Arizona Supreme Court to adopt administrative rules to determine the duration of certification for court reporters.

### **History**

A.R.S. §32-4005 outlines the requirements for the Arizona Supreme Court (Court) to administer the Court Reporter Certification Program (Program) enacted by Laws 1999, Chapter 335. The Program is set to terminate July 1, 2009.

A certified court reporter is defined in statute to mean *a person who is certified by the board and who records and transcribes a verbatim record in any sworn proceeding by means of written symbols or abbreviations in shorthand or machine writing.* (A.R.S. §32-4002)

The Board of Certified Court Reporters (Board) makes recommendations to the Court regarding Program rules, policies and procedures for applicant testing, fees, codes of conduct, continuing education requirements and testing methods. The Board issues certificates to successful applicants and requires applicants for renewal to submit documented proof of 10 hours approved continuing education by December 31 each year.

### **Provisions**

- Eliminates the Program termination date as prescribed in statute.
- Strikes the expiration date for renewal certificates, and therefore requires the Arizona Supreme Court to determine the duration for certificate expiration.



# HOUSE OF REPRESENTATIVES

SB 1133

AHCCCS; DES; new hires directory

Sponsor: Senator Leff

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**DP** Committee on Commerce

**X** Caucus and COW

House Engrossed

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SB 1133 makes a technical clarification in statute to allow the Arizona Department of Economic Security and the Arizona Health Care Cost Containment System Administration to use the state directory for new hires to determine eligibility for Medicaid programs, already permissible under federal law.

## **History**

The State Legislature established the Arizona Department of Economic Security (DES) in 1972 by combining several state agencies. The mission of DES is to promote the safety, well-being, and self-sufficiency of children, adults, and families.

DES is required by federal and state law to maintain and manage a state directory of newly-hired employees, which is comprised of information received from employers (i.e. employee's name, address, and social security number). Arizona law permits DES to use the information contained in the directory for three express purposes. They are:

1. the administration and enforcement of child support;
2. the identification and prevention of benefit fraud regarding general assistance and Temporary Assistance for Needy Families programs; and,
3. the administration of employment security and workers' compensation programs.

The Arizona Health Care Cost Containment System Administration (AHCCCS) is Arizona's Medicaid program, and is designed to deliver health care and medical assistance to individuals and families who meet certain eligibility criteria. The Medicaid program is part of Title XIX of the Social Security Act amendment that became law in 1965.

AHCCCS population totaled more than 1.1 million in February 2008.

Federal law permits state agencies (e.g. AHCCCS) to access information from the directory for the purpose of determining Medicaid eligibility for beneficiaries. AHCCCS, however, currently does not have statutory authority from the state to use the directory for such purpose, including the verification of *continued* eligibility.

## **Provisions**

- Allows DES and AHCCCS to utilize the information contained in the state directory of new hires for the verification of Medicaid eligibility.



# HOUSE OF REPRESENTATIVES

SB 1232

real estate department; designation removal

Sponsor: Senator Leff

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**DPA** Committee on Commerce

**X** Caucus and COW

House Engrossed

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Removes the ability for a licensee or applicant to obtain a special designation for *sales of businesses* from the Arizona Department of Real Estate.

## **History**

The Arizona Department of Real Estate (ADRE) currently licenses and regulates the real estate industry, including real estate salespersons and real estate brokers. An applicant may obtain a license designation to specialize in the sales of businesses by certifying to ADRE the completion of 24 hours of applicable instruction in business brokerage and passing the appropriate examination. (A.R.S. § 32-2124) Statute further requires the applicant upon renewal, to obtain half of the credit hours for renewal in the area of business brokerage.

SB 1232 eliminates the specialized license designation from statute. According to ADRE, the Arizona Business Brokerage Association will issue the business brokerage designation and provide all necessary education and training to licensees and new applicants.

## **Provisions**

- Strikes the statutory provisions that permit a real estate license applicant or current licensee to obtain a designation to specialize in the sales of businesses.
- Removes from the ADRE provisions of law the conforming and associated language that describes the license and renewal process.
- Establishes session law to clarify that any license in effect on the general effective date remains valid for the term it was issued.

## **Amendment**

### **Commerce**

- Retroactive to January 1, 2008, clarifies the residential address, telephone number and electronic mail address for persons licensed by ADRE are confidential and shall not be released except for legitimate court or governmental purposes. If ADRE determines the release will serve the interests of justice or the public interest, then ADRE may release them.



# HOUSE OF REPRESENTATIVES

## SB 1081

TAPBI program; administrative salaries

Sponsor: Senator Gray L

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**DP** Committee on Education (K-12)

**X** Caucus and COW

House Engrossed

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SB 1081 stipulates that the salaries of any administrator employed by a Technology Assisted Project Based Instruction Program (TAPBI) must be included in the TAPBI's annual report.

### **History**

The TAPBI pilot program was created by the Legislature in 1998 to improve pupil achievement and extend academic options beyond the traditional classroom. Currently, distance learning programs such as TAPBI exist in all of the 50 states. Arizona is one of 26 states that provide K-12 online learning through individual schools. In FY 2006-07, TAPBI provided Internet-based instruction to more than 15,000 Arizona students from 14 different schools, including 7 charter schools and 7 school districts.

Most TAPBI schools serve various types of students including gifted, at-risk, and homebound students. TAPBI schools typically use Internet-based applications, known as learning management systems, to create and deliver learning content. This content includes online reading materials, interactive exercises, discussion forums, video clips, and quizzes. While participating in a TAPBI, students are able to pace themselves according to their individual needs when reading textbooks, completing homework assignments, and working on projects. Funding for this program is awarded based on the Average Daily Membership (ADM) just as it is for other public schools.

The Superintendent of Public Instruction (SPI), the State Board of Education (SBE), and the State Board for Charter Schools (SBCS) provide oversight for the TAPBI Program. TAPBI schools are required to file an annual report that includes descriptions of educational services, operational and administrative efficiency, overall cost, academic achievement, and student and parent satisfaction surveys. After receiving the annual reports, the Joint Legislative Budget Committee (JLBC,) in conjunction with the state boards, issue a compilation of each of the schools' annual reports. In addition, each TAPBI school must be reviewed by the state boards every 5 years to determine the effectiveness of the schools' participation in the pilot program.

A performance audit of the TAPBI program was released by the Office of the Auditor General (OAG) in October 2007. The report examined three aspects of TAPBI operations and provided recommendations for each based on the findings. The performance audit also noted that TAPBI charter schools had higher per-pupil costs compared to other TAPBI public schools. Additionally, the report found that TAPBI charter schools also had higher per-pupil administrative costs largely due to higher-than-average employee compensation and staff

## **SB 1081**

entertainment costs. Only three TAPBI charter schools included their annual salaries for administrators in their annual reports. Of those three, the annual salaries ranged from about \$71,700 to \$187,000. The average annual salary for principals and superintendents at similarly-sized brick-and-mortar schools ranged from \$65,000 to \$81,000.

### **Provisions**

- Requires TAPBI schools to include a list of the salaries of all administrative employees, by job title and description, in their annual report.
- Makes technical changes.





# HOUSE OF REPRESENTATIVES

SB 1230

school safety; school misconduct

Sponsor: Senator Gray L

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DPA Committee on Education (K-12)

X Caucus and COW

House Engrossed

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SB 1230 is an emergency measure that allows a school district to apply to participate in the School Safety Program for up to three years at a time and requires a school district to include reports of immoral or unprofessional conduct or violations occurring on school grounds in its proposal for participation.

## History

The School Safety Program (Program) was originally established in session law in 1994 to prevent juvenile referrals and detention in state facilities by addressing school safety needs. Additionally, the Program uses trained School Resource Officers (SROs) or Juvenile Probation Officers (JPOs) in participating schools to teach students about the law and legal process, school safety, and effective citizenship through a law-related education program.

The Program is overseen by the 10-member School Safety Program Oversight Committee (Committee). To participate in the Program a school district must submit a Program Proposal to the Committee. The Program Proposal must include: 1) a description of the school districts' safety needs, 2) an implementation plan for a law related education program or evidence of an existing law related education program, and 3) a plan to use SROs and/or JPOs in the school district.

Prior to 2007, a school district was allowed to apply to participate in the program and, if accepted, submit a request for continuation in subsequent years. New applicants to the Program were restricted to unencumbered monies that had been appropriated in previous fiscal years or monies that were appropriated to expand the program. Laws 2007, Chapter 62, changed this process by requiring a school district to re-apply every year in order to receive program monies.

## Provisions

- Allows a school district to apply to participate in the Program for up to three fiscal years. *Currently, a school district must apply each fiscal year.*
- Requires reports of immoral or unprofessional conduct or violations occurring on school grounds to be included in a Program Proposal.
- Specifies that in addition to having their Program Proposal approved by the Committee, a school district must be in compliance with Program requirements in order to receive Program monies.
- Contains an emergency clause.

**Amendments**

**Education (K-12)**

- Removes the provision that requires any reports of immoral and unprofessional conduct or violations occurring on school grounds to be included in the Program Proposal.



# HOUSE OF REPRESENTATIVES

## SB 1341

schools; employee code of conduct

Sponsors: Senator Gray L, Representative Clark: Senator Huppenthal, et al

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DPA Committee on Education (K-12)

X Caucus and COW

House Engrossed

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SB 1341 requires the State Board of Education (SBE) to recommend an employee code of conduct to each school district governing board or charter school governing body.

### History

SBE rules require individuals holding a certificate issued by the SBE to follow established guidelines regarding professional conduct. Arizona Administrative Code R7-2-1308 requires a certificated person to make reasonable efforts to protect pupils from conditions harmful to learning, health, or safety. Certificated persons are prohibited from: 1) discriminating or harassing any pupil or employee on the basis of race, national origin, religion, sex, sexual orientation, disability, color, or age; 2) deliberately distorting a pupil's academic progress; 3) engaging in a behavior with the sole intent of embarrassing or disparaging a pupil; 4) using their professional position for improper personal gain; 5) possessing, consuming, or being under the influence of alcohol on school premises; 6) making sexual advances towards a pupil; and 7) engaging in conduct which would discredit the teaching profession, in addition to other behaviors designated as unprofessional or immoral by SBE. Individuals who engage in unprofessional or immoral conduct are subject to and may be disciplined by SBE.

Arizona Revised Statutes (A.R.S.) § 15-514 requires any certificated person or school district governing board member who reasonably suspects or receives an allegation that a person certified by SBE has engaged in unlawful conduct involving minors to report the allegation of misconduct, within 3 days, to the Arizona Department of Education (ADE). The law provides immunity from civil action for damages to a person who reports a claim of unprofessional conduct in good faith. Additionally, the superintendent of a school district or chief administrator of a charter school who reasonably suspects or receives an allegation that a certificated person has engaged in immoral or unprofessional conduct constituting grounds for dismissal or criminal charges must report the conduct to ADE.

A.R.S. § 15-515 requires all school personnel who observe a person carrying a deadly weapon on school grounds or minors carrying or possessing weapons to report the violation to a school administrator. The school administrator is required to report the violation to a peace officer.

A.R.S. § 15-550 states that a teacher who is convicted of a Dangerous Crime Against Children, sexual conduct with a minor, or sexual assault against a minor is guilty of unprofessional conduct and instructs the teacher's certification to be revoked immediately upon notification of the conviction by the clerk of the court.

All school district governing boards are required to prescribe and enforce policies and procedures for the governance of their schools pursuant to A.R.S. § 15-341. The policies and procedures cannot be inconsistent with law or rules prescribed by SBE. Additionally, the policies and procedures must include provisions for disciplinary action against a teacher or administrator who engages in conduct in violation of the policies that is not cause for dismissal. The disciplinary action may include suspension without pay not to exceed ten school days. Most school district policy manuals have chapters on staff conduct, including guidance on legal reporting requirements for observed misconduct, ethical and behavioral standards, use of good judgment, use of physical force, knowledge of school district policies, dress and appearance, and policies on disclosure related to confidential information. Typically these chapters also outline possible disciplinary actions, including immediate removal or civil or criminal sanctions for failure to comply the policies.

**Provisions**

- Requires SBE to make recommendations to each school district governing board or charter school governing body for a code of conduct for school district and charter school employees within 90 days of the effective date of this act.
- States that the recommendations for certificated and noncertificated employees must include the descriptions of conduct deemed unprofessional and immoral pursuant to applicable rules adopted by SBE.
- Allows each school district governing board or charter school governing body to adopt the recommended code of conduct in a public meeting.
- Permits each school district governing board or charter school governing body to adopt an amendment to the recommended code of conduct to fit the needs of the school district or charter school.
- Mandates each school district governing board or charter school governing body to annually post the adopted code of conduct on its website, if available, or disseminate the code of conduct through printed materials to each employee of the school district or charter school.
- Requires an employee to acknowledge, in writing, that the employee has received the code of conduct of the school district or charter school.

**Amendments**

**Education (K-12)**

- Makes technical and clarifying changes.



# HOUSE OF REPRESENTATIVES

## SB 1401

school safety program; reserve officers

Sponsor: Senator Bee

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**DP** Committee on Education (K-12)

**X** Caucus and COW

House Engrossed

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SB 1401 allows the Arizona Department of Education (ADE) to permit a law enforcement agency to assign a full-authority Arizona Peace Officer Standards and Training Board (AZPOST) certified reserve peace officer to participate in the School Safety Program.

### History

The School Safety Program (Program) was originally established in session law in 1994 to prevent juvenile referrals and detention in state facilities by addressing school safety needs. Additionally, the Program uses trained School Resource Officers (SROs) or Juvenile Probation Officers (JPOs) in participating schools to teach students about the law, legal process, school safety, and effective citizenship through a law-related education program. The Program is overseen by the 10-member School Safety Program Oversight Committee (Committee).

To participate in the Program a school district must submit a Program Proposal to the Committee. Among other requirements, the proposal must contain a plan to use trained school resource officers or juvenile probation officers in the schools, or both. A.R.S. § 15-155 requires ADE to cooperate with the county school superintendent, the county sheriff, and the local police chief, with the consent of the schools, to permit a law enforcement agency to assign a peace officer to participate in the Program. These peace officers are funded by the state through the Program.

A.R.S. § 1-215 defines *Peace officers* as sheriffs of counties, constables, marshals, policemen of cities and towns, commissioned personnel of the Department of Public Safety, personnel who are employed by the Arizona Department of Corrections or Arizona Department of Juvenile Corrections, peace officers who are appointed by a multi-county water conservation district, and police officers appointed by a community college district governing board, the Arizona Board of Regents, or the governing body of a public airport.

Under Arizona Administrative Code R13-4-103, a person who wishes to be certified as a peace officer must submit an application to a law enforcement agency, obtain an appointment to an agency, and graduate from an AZPOST-approved Peace Officer Basic Course. A person may be certified as a: 1) full-authority peace officer, 2) specialty peace officer, 3) limited-authority peace officer, or 4) limited correctional peace officer. A full-authority peace officer, as defined by AZPOST rules, is a peace officer who has the authority to enforce the laws of the state.

## **SB 1401**

According to AZPOST, the assignment of “reserve officer” is made by the appointee law enforcement agency after an individual has attained peace officer status. Reserve officers are current peace officers who volunteer or retired persons who retain their peace officer status to volunteer.

### **Provisions**

- Permits a full-authority AZPOST reserve peace officer to be assigned to participate in the Program.



# HOUSE OF REPRESENTATIVES

## SB 1095

air quality; clean burning gas

Sponsors: Senators Flake, Aguirre, Blendu

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**DP** Committee on Environment

**X** Caucus and COW

House Engrossed

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SB 1095 changes the date that clean burning gasoline (CBG) is to be used in Area C to May 1, 2009, rather than June 1.

### History

Air quality in Arizona is regulated at multiple levels, including federal, state and county regulation. The Clean Air Act (CAA) regulates pollution emissions into the air and establishes goals for the reduction of emissions. Some of these goals include manufacturing cleaner vehicles, establishing inspection and maintenance programs, and requiring cleaner burning fuels.

The U.S. Environmental Protection Agency (EPA) has the responsibility for regulating major pollution sources under the CAA. Arizona began requiring CBG in 1997 after the EPA classified the Phoenix metropolitan area, Area A, as a "serious nonattainment" area for both carbon monoxide and ozone. Currently, Area A has different fuel requirements for the winter season, to reduce carbon monoxide emissions, and the summer season, to reduce ozone emissions. The winter season occurs between November 1 and March 31 and the summer season occurs between May 1 and September 30 of each year.

Laws 2007, Chapter 292 created new air quality requirements and established a new Area C in the western portion of Pinal County. Currently, the same blend of CBG required in Area A for the summer season is also required to be used in Area C from June 1 to September 30.

SB 1095 changes the annual start date CBG is required to be used in Area C to May 1, from June 1, beginning in 2009.

### Provisions

- Changes the start date for CBG in Area C to May 1, from June 1, beginning in 2009.
- Contains a *conditional enactment* provision which conditions the enactment of this act on EPA approval of the State Implementation Plan (SIP) revision.
- Specifies that the act becomes effective on the general effective date or later, subject to the conditional enactment provision.



# HOUSE OF REPRESENTATIVES

## SB 1384

Arizona emissions bank  
Sponsor: Senator Blendu

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**DPA** Committee on Environment

**X** Caucus and COW

House Engrossed

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SB 1384 removes the repeal date for the Arizona Emissions Bank.

### **History**

The Arizona Emissions Bank is a program run by the Arizona Department of Environmental Quality (ADEQ). The program applies to permitted sources such as any building, structure, facility or installation which may contribute to or in some way reduce, control or eliminate any of five pollutants. These pollutants include particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, and volatile organic compounds.

ADEQ is responsible for registering, certifying, or approving the amount of credit that is banked and used; however, they can delegate the certification of emissions credits to a county or multi-county air quality control district. For a reduction to be certified for credit it must be verified that it occurred after August 17, 1999, is a quantifiable, permanent and enforceable reduction in actual emissions and there is a surplus in reduction required any other reduction requirements.

In order to participate in the Bank, an applicant must submit a Credit Generation Application. To utilize a credit, the applicant must submit a Credit Utilization Application. The credits can be used, traded, or sold within the same nonattainment area, maintenance area, or modeling domain in which they were awarded.

ADEQ has estimated the cost of running the Emissions Bank to be \$2,500 annually.

The ending date of the Emissions Bank program was required by A.R.S. §41-3102 which states that any new program established by the legislature must include a program expiration date in the enabling legislation. This bill removes the original repeal date of July 1, 2009.

### **Provisions**

- Removes the Arizona Emissions Bank program's repeal date.
- Inserts August 6, 1999 as the general effective date of the legislation.
- Makes technical and conforming changes.

### **Amendments:**

#### **Environment**

- Sets the sunset date of the Arizona Emissions Bank at July 1, 2019.





# HOUSE OF REPRESENTATIVES

SB 1043

real estate disclosure; liens  
Sponsor: Senator Tibshraeny

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**DPA**

**S/E** Committee on Financial Institutions and Insurance

**X** Caucus and COW

House Engrossed

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SB 1043 allows real property escrow agents to disclose to the buyer and seller that title insurance may be available to cover liens or claims that accrue after the buyer takes possession of the property.

## **Summary of the strike everything amendment to SB 1043**

The strike everything amendment to SB 1043 allows the local board of the judiciary to designate a position with the Administrative Office of the Courts (AOC) as a Correctional Officers Retirement Plan (CORP) position and limits the designation of CORP positions to those that provide training or technical expertise to probation, surveillance or juvenile detention officers.

## **History**

### **CORP**

Created by the legislature in 1986, the Corrections Officer Retirement Plan's (CORP) is one of three plans administered by the Public Safety Personnel Retirement System designed to meet the special needs of personnel engaged in the prison environment. Normal retirement commences after the member completes 20 years of service, the member attains age 62 with 10 or more years of service or the sum of the member's age and years of credited service equals at least 80 points. The monthly pension amount is determined by years of credited service multiplied by a factor of 2.5 percent multiplied by the average monthly salary. To date, over 70% of Arizona Supreme Court's Administration of the Court's (AOC) probation officers have elected to enter the CORP.

### **Local Boards**

The administration and responsibility for making the provisions of the CORP effective for each employer rests with the local elected boards. Statute requires each employer group participating in CORP to have a local board and assigns numerous responsibilities to each board. For example, each board is responsible for the eligibility, service credits, amount, manner and time of benefit payments under the plan. The local board makes determinations as to the right of benefits, act as information officers between employer and the Fund Manager, furnish reports regarding the administration of the plan on request, appoints a medical board and can sue or be sued.

### **The Administrative Office of the Courts**

In 2006, legislation was passed that allowed the AOC to enter into a joinder agreement with the CORP fund manager to bring its probation, surveillance, and juvenile officers into the plan. The AOC oversees several divisions, including the Adult Probation Services Division, the Education

Services Division, and the Juvenile Justice Services Division and provides statewide training for all probation officers, surveillance, and juvenile detention officers. To meet this end, several positions within the AOC are tasked with the responsibility of training these positions.

First, in the Juvenile Justice Services Division, the *Detention Program Specialist* is responsible for providing direct training to juvenile detention officers throughout the state. This involves curriculum development and training for the detention academy, the detention conference, train the trainer sessions on suicide prevention, and other specialized training topics. Over 120 officers were trained during FY 2007 by the person in this position. Second, in the Adult Probation Services Division, the *Probation Safety Specialist* is tasked with training for the Officer Safety Program. The major components of this program are the 40-hour Defensive Tactics Academies and the 40-hour Firearms Training Academies. In FY 2007, this position completed over 500 hours of direct training to Adult and Juvenile Probation and Surveillance Officers. The person in this position also develops and revises curriculum for all safety-related trainings. Within the same division, the *Probation Program Specialist* is tasked with training coordination activities, direct training and technical assistance for a variety of statewide projects in the Program Services Unit. Approximately 200 hours of direct training to probation staff were provided by the person in this position in FY 2007. This position is responsible for the development of curriculum, handouts, workbooks, videos and other program related materials and training contracts. This position is also responsible for coordinating trainings in specific subject matters where expertise in a specific field is required. Finally, in the Education Services Division, the *Probation Education Specialist* is responsible for training approximately 400 first line probation of, surveillance, and detention officers annually. They provide training on Case Management, Sex Offender Supervision, the use of the Risk/Needs Assessment, writing court reports, legal liability, Arizona Revised Statutes, Arizona Rules of Court, along with safety and security. Also within the same division, the *Probation Officer Safety Specialist* position is similar to the *Probation Safety Specialist* under the Adult Probation Division, but does not have budget or code compliance responsibilities.

### **Provisions**

- Allows the local board of judiciary to designate a position within the AOC as a CORP position.
- Limits the designation of CORP positions to those that provide training or technical expertise to probation, surveillance or juvenile detention officers.
- Restricts the designation of CORP positions to current members of CORP who have at least five years of credited service in CORP.
- Restricts the designated positions to those employees who are currently employed in a designated position in the judiciary.
- Provides that the position reverts to a nondesignated position in the event that the employee leaves the position.
- Provides for conditional enactment.
- Makes technical and conforming changes.

### **Amendments**

#### **Financial Institutions and Insurance**

- The strike everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

## SB 1163

replacement policies; application of law

Sponsor: Senator Gorman

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**DP** Committee on Financial Institutions and Insurance

**X** Caucus and COW

House Engrossed

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SB 1163 removes the requirement that an insurer provide new disclosures for policies and contracts for existing policyholders when a term conversion privilege is exercised among corporate affiliates.

### **History**

Term life insurance provides death protection for a stated time period, or term. Term insurance can be purchased for a relatively small initial premium. Term insurance policies provide coverage for periods of one year to 30 years. Term insurance is well suited for short term goals such as life insurance coverage to pay off a loan, or to provide extra protection during child-raising years. Term life insurance offers death benefits only, upon the death of the policy holder the death benefit would be paid to the beneficiary. If the term expires, the policy can be renewed or continued at a higher premium.

A term life insurance policy may also be converted into a whole life insurance policy before its expiration. Whole life insurance is permanent and offers death benefits in addition to the "cash value" it accumulates. Conversion allows the policy holder to pay the lesser premiums during the covered term and then to transfer it to a permanent cash value policy later.

When converting a term insurance policy to a permanent policy, the policy holder may be required to prove insurability and the insurance producer must provide specific policy summary details and disclosures to the policyholder.

### **Provisions**

- Exempts an insurance provider from the requirement that they provide new disclosures for policies and contracts to existing policyholders who exercise a term conversion privilege among corporate affiliates.
- Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

SB 1164

limited liability company; purpose

Sponsor: Senator Gorman

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**W/D** Committee on Financial Institutions and Insurance

**DPA** Committee on Government

**X** Caucus and COW

House Engrossed

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SB 1164 allows a limited liability corporation to conduct business as a pure captive insurer if authorized by the Director of the Department of Insurance (DOI).

## **Summary of the proposed strike-everything amendment**

The proposed strike-everything amendment requires the Arizona Health Care Cost Containment System (AHCCCS) to set premiums for Healthcare Group (HCG) based on actuarial reviews by an independent actuary. It freezes enrollment in HCG for three years, and requires the DOI to report on the operational effects of the freeze on HCG. It also prohibits HCG health plans from providing services outside the scope of their contracts.

## **History**

HCG was established in 1985 to increase access to health insurance coverage for sole proprietors and small businesses with fifty or fewer employees. The AHCCCS administers HCG by contracting with several private health plans. Arizona Revised Statutes § 36-2912 requires that no employer group be enrolled in HCG unless that group has been without health insurance coverage for at least 180 days. It also requires that the AHCCCS increase or decrease premiums based on actuarial reviews of the projected and actual costs of providing health care benefits to HCG members; however, it allows the AHCCCS to cap the amount premiums change. As of March 13, 2008, HCG had 22,805 members enrolled in its medical plans. Over 70% of the businesses enrolled in HCG had only one employee.

Laws 2007 Chapter 263 instituted a number of reforms related to HCG. They included a temporary limitation on enrollment followed by a freeze in enrollment, a financial examination of HCG by the DOI, the creation of a study committee to examine issues related to HCG, and the establishment of a default reimbursement rate for situations where a contracted rate did not exist. In addition, \$8 million was appropriated to HCG from the General Fund to pay delinquent claims owed to the contracted health plans.

## **Provisions**

- Prohibits a HCG health benefit plan from providing or offering any service, benefit, or coverage that is not a part of the health benefit plan contract.
- Freezes enrollment of additional employer groups in HCG through July 31, 2011.

**HCG Premiums**

- Requires the AHCCCS to increase or decrease premiums based on actuarial reviews by an independent actuary.
- Prohibits the AHCCCS from capping the amount of a change in premiums.
- Stipulates that for each contract period, the AHCCCS must set premiums that in the aggregate cover projected medical and administrative costs for that contract period.
- Requires that premiums be determined by an independent actuary based on generally accepted actuarial principles and practices.
- Indicates premiums must be approved by the DOI.

**DOI Reports**

- Requires the DOI to submit any report authorized or conducted by the DOI regarding HCG to the Governor, the President of the Senate, and the Speaker of the House within thirty days after completion of the report.
- Specifies the DOI shall report to the Governor, the President of the Senate, the Speaker of the House, and the Joint Legislative Budget Committee on the effect of the enrollment freeze on the financial and operational conditions of HCG by June 30, 2011.

**Government**

**Amendments:**

- The strike-everything amendment was adopted.



# HOUSE OF REPRESENTATIVES

## SB 1215

charter schools; approved plans; renewal

Sponsors: Senators Johnson, Huppenthal; Verschoor, et al

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**DP** Committee on Government

**X** Caucus and COW

House Engrossed

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SB 1215 requires a charter school sponsor to provide notification to the charter school regarding the expiration of a charter and changes the timeframe under which a charter school may apply for renewal.

### **History**

Arizona Revised Statutes (A.R.S.) § 15-181 allows the establishment of charter schools to provide a learning environment that will improve pupil achievement. Charter schools provide additional academic choices for parents and pupils and may consist of new schools or all or any portion of an existing school. Charter schools are public schools that serve as alternatives to traditional public schools and are not subject to the same constitutional and statutory requirements as traditional public schools. Each charter school is required by A.R.S. § 15-183 to have either a school district governing board, the State Board of Education (SBE) or the State Board for Charter Schools (SBCS) serve as its sponsor.

Currently, a contract made between a charter school and their sponsor is valid for fifteen years. The sponsoring board must review the charter every five years and may revoke a charter at any time for a breach of one or more provisions of the charter. At the conclusion of the first fourteen years of operation, the charter school may apply for renewal. The sponsor may deny the request for renewal if, in its judgment, the charter school has failed to complete the obligations of the contract or has failed to comply with other requirements. A sponsor is required to give written notice of its intent not to renew a charter at least twelve months before the expiration of the approved plan in order to allow the charter school an opportunity to apply to another sponsor and transfer the operation of the charter school.

Funded by a three-year grant from the National Governor's Association, the Policy, Rule and Contracts Subcommittee was established under SBCS to develop the charter renewal process. According to SBCS, the renewal process will include a review of academic, fiscal, and contractual compliance by the charter school.

### **Provisions**

- Requires the sponsor of a charter school, at least eighteen months prior to the expiration of a charter, to notify the charter school that they may apply for renewal.
- Stipulates that a charter school seeking renewal must apply at least fifteen months before expiration of their approved charter.
- Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

## SB 1255

administrative rules oversight committee.

Sponsors: Senators Burns & Harper

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**DP** Committee on Government

**X** Caucus and COW

House Engrossed

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SB 1255 establishes the Administrative Rules Oversight Committee (AROC).

### **History**

Current statute requires each agency to make rules of practice, setting forth the nature and requirements of formal procedures. These rules must be made available to the public. Statute also provides for public involvement in the rule making process, including an appeals process. Agency rules are heard by the Governor's Regulatory Review Council (GRRC), although the Attorney General's Office will also review certain exempt rules.

AROC was originally established in 1995. AROC was an 11-member committee that received complaints concerning rules and substantive policy statements that were alleged to be duplicative or onerous. AROC could conduct hearings and make comments to an agency, Attorney General or GRRC on any proposed rule or substantive policy statement, but they were not authorized to take formal action. AROC was repealed on December 31, 1998. In 1999, SB 1378 would have retroactively extended AROC until 2003, but was vetoed by Governor Hull.

The statutes that outline AROC's review of rules and substantive policy statements still exist under the Arizona Administrative Procedures Act. SB 1255 describes membership appointments, and meeting and staffing guidelines, effectively re-establishing AROC

### **Provisions**

- Establishes the Administrative Rules Oversight Committee which has oversight over any rules except for those exempted by A.R.S. § 41-1005.
- Sets forth Committee membership as follows (members serve at the pleasure of their appointing officer):
  - Five members appointed by the Speaker of the House of Representatives, one designated as cochairperson.
  - Five members appointed by the President of the Senate, one designated as cochairperson.
  - The Governor or the Governor's designee who is not an appointed agency director.
- Stipulates that the Committee appointments must be made on or before October 1, 2008.
- Requires Legislative Council to staff the Committee and further states that the Committee shall meet upon the call of either cochairperson.

**SB 1255**

- Clarifies that a party contesting the legality of a rule, agency practice or substantive policy statement is not required to file a complaint with the Committee in order to exhaust its administrative remedies.





# HOUSE OF REPRESENTATIVES

SB 1456

public records; storage

Sponsors: Representative Groe; Senator Gould

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**DP** Committee on Government

**X** Caucus and COW

House Engrossed

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SB 1456 allows each state agency or any of the state's political subdivisions to implement a program for the production or reproduction of records on microfiche, digital imaging or other electronic media.

## History

Current Arizona law requires permanent public records of the state, or a county, city, or town to be transcribed or kept on paper or other material which is of durable or permanent quality and which conforms to standards established by the Director of the Arizona State Library, Archives and Public Records (Director). Permanent records must be stored and maintained according to standards for the storage or permanent public records established by the Director (Arizona Revised Statutes (A.R.S.) § 39-101).

Currently, each agency in Arizona or any of its political subdivisions may implement a program for the production or reproduction by photography or other method of reproduction on film or electronic media of records in its custody. The agencies can classify, catalogue and index such records for convenient reference upon approval of the Director (A.R.S. § 41-1348).

A.R.S. § 13-2407 defines *public records* as all official books, papers, written instruments or records created, issued, received or kept by any governmental office or agency or required by law to be kept by others for the information of the government.

## Provisions

- Provides a size exemption for records kept on photography, film, microfiche, digital imaging or other types of reproductions or electronic media.
- Requires these records to be kept in accordance with standards established by the Director.
- Permits each state agency or any of the state's political subdivisions to implement a program for the production or reproduction of records on microfiche, digital imaging or other electronic media pursuant to this act.
- Allows source records to be destroyed after an administrative audit and upon approval by the Director.
- Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

## SB 1502

professions; occupations; initial regulation

Sponsors: Senators Gorman, Blendu, Gould, et al

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**DP** Committee on Government

**X** Caucus and COW

House Engrossed

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SB 1502 creates a sunrise process for regulation on a nonhealth profession or occupation (profession).

### **History**

Arizona Revised Statutes (A.R.S.) § 41-1271 establishes the Joint Legislative Audit Committee (JLAC). JLAC is a 12 member committee (six members from each legislative chamber) responsible for overseeing all legislative and agency audit functions. JLAC is required to ensure that state agencies comply with audit findings and recommendations. Their main duties include assigning agencies that are subject to a sunset or sunrise review to a Committee of Reference (COR).

CORs are joint subcommittees designed to act as a substitute to a standing committee. Both the House of Representatives and Senate standing committee chairpersons appoint five members to a COR. CORs are responsible for evaluating and recommending new regulation or an increased scope of practice based on statutory sunrise factors (A.R.S. § 41-2954).

Laws 1985, Chapter 352 established the sunrise process to provide a mechanism for health professions to request that the state regulate a currently unregulated health profession. The process can also be used to request an expansion of the scope of practice of an already regulated profession. In order for a sunrise process to be initiated, an applicant group must submit a written report to JLAC prescribing the reasons for regulation.

An *applicant group* is any health professional group or organization, any individual or any other interested party that proposes an unregulated health professional group become regulated (A.R.S. § 32-3101). The report submitted to JLAC must include:

- A definition of the problem and why regulation is necessary.
- The efforts made to address the problem.
- The alternatives considered.
- The benefit to the public if regulation is granted.
- The extent to which the regulation might hurt the public.
- The maintenance of standards.
- A description of the group proposed for regulation.
- The expected costs of regulation.

**Provisions**

- States that a profession must only be regulated for the exclusive purpose of protecting the public interest.
- Requires all proposed legislation that would regulate a profession for the first time, be reviewed according to the criteria prescribed in this act.
- States that a profession shall be regulated only if the following applies:
  - An unregulated practice can clearly harm or endanger the public health, safety or welfare.
  - The actual or anticipated public benefit of the regulation clearly exceeds the costs imposed on consumers, businesses, and individuals.
  - The public needs and can reasonably be expected to benefit from an assurance of initial and continuing professional ability.
  - The public cannot be effectively protected by private certification or other alternatives.
- Requires a COR to examine data from multiple sources and look for evidence of actual harm to the public related to the industry being considered for regulation. The COR may consider the following:
  - Industry association data.
  - Federal, state and local government data.
  - Business reports.
  - Complaints to the respective state law enforcement, consumer affairs divisions, or the Better Business Bureau.
  - Data from reciprocal agencies in other states.
- States that if a COR finds it necessary to regulate a previously unregulated profession, the regulation must be in the least restrictive manner and shall not be imposed to protect a specific interest group from economic competition.
- Allows a COR to hold hearings to evaluate the criteria and examine data and evidence.
- Stipulates that the agency issuing the new professional licensees, registrations, or certificates must not hinder the industry through the delayed awarding of a license, registration, or certificate.
- Requires nonhealth professional applicant groups to submit a written report to JLAC explaining the factors prescribed in this act.
- Requires the report to be submitted to JLAC by September 1 prior to the start of the legislative session for which the legislation is proposed. JLAC will assign the report to the appropriate COR for review.
- Requires the COR to submit recommendations to JLAC, the Speaker of the House of Representatives, the President of the Senate, the Governor, and (if appropriate) the regulatory entity, by December 1 of the year in which the report is submitted.
- Requires applicant groups to explain each of the following factors to the extent requested by the COR:
  - A definition of the problem and why regulation is necessary.
  - The efforts made to address the problem.
  - The alternatives considered.
  - The benefit to the public if regulation is granted.
  - The extent to which regulation might harm the public.
  - The maintenance of standards including: whether effective quality assurance standards exist in the profession and how the proposed legislation will assure quality.
  - A description of the applicant group including:

**SB 1502**

- A list of associations, organization, and other groups representing the practitioners in Arizona.
- An estimate of the number of practitioners in each group.
- Whether the groups represent different levels of practice.
- The expected costs of regulation.



# HOUSE OF REPRESENTATIVES

SB 1141

defibrillators; good Samaritans

Sponsors: Senators Leff, Aguirre, Landrum Taylor, et al.

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**DP** Committee on Health

**X** Caucus and COW

House Engrossed

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SB 1141 exempts from civil liability good Samaritans who use an automated external defibrillator to render emergency care.

## **History**

Arizona Revised Statutes § 36-2263 exempts from civil liability certain persons and entities for any personal injury related to the use of an automated external defibrillator if the act or omission does not amount to willful misconduct or gross negligence.

Laws 2006, Chapter 92, § 1 exempts from civil liability a person who administers epinephrine to another person who is suffering from a severe allergic reaction if the person acts in good faith and without compensation, and a health professional is not immediately available, as long as the person acts without gross negligence, willful misconduct, or intentional wrongdoing.

## **Provisions**

- Exempts good Samaritans from civil liability when they use an automated external defibrillator to render emergency care or assistance in good faith and without compensation at the scene of an accident, fire, or other life threatening situation.



# HOUSE OF REPRESENTATIVES

## SB 1286

behavioral health board; continuation

Sponsors: Senator O'Halleran, Representative Bradley: Representative Hershberger, et al.

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**DP** Committee on Health

**X** Caucus and COW

House Engrossed

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SB 1286 continues the Board of Behavioral Health Examiners (Board) until July 1, 2013.

### **History**

The Board was created by Laws 1988, Ch. 313, § 2. The Board is responsible for regulating professional counselors, substance abuse counselors, social workers, and marriage and family therapists. The Board consists of four professional and four public members appointed by the Governor to serve three-year terms. Board members are not eligible to serve more than two consecutive terms. Four Credentialing Committees, one for each area of licensure, are also appointed by the Governor to review and determine the qualifications of applicants. One professional from each committee is appointed to the Board. The primary duties of the Board include adopting rules to govern the behavioral health profession, issuing licenses to qualified individuals, and conducting investigations and taking disciplinary action when necessary. According to the Board, there are approximately 8,300 licensees regulated by the Board.

### **Provisions**

- Repeals statute related to termination of the Board.
- Continues the Board until July 1, 2013.
- Contains a purpose clause.
- Requires a performance audit of the Board to be completed by the Office of the Auditor General no later than September 1, 2012.
- Includes a retroactivity date of July 1, 2008.



# HOUSE OF REPRESENTATIVES

SB 1287

dental board; omnibus

Sponsors: Senator O'Halleran: Representative Stump

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DP Committee on Health

X Caucus and COW

House Engrossed

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SB 1287 makes a variety of changes to the Board of Dental Examiners' (Board) statutes including provisions related to the regulation of business entities, retired, disabled, or deceased licensees, the definition of unprofessional conduct, and the maintenance of patient records.

## History

The Board is comprised of six dentists, two dental hygienists, and three public members. The primary responsibilities of the Board include determining the eligibility of applicants for examination, examining those found eligible, and issuing licenses to those who pass the examination, as well as taking disciplinary action against those in violation of Board statutes. Currently the Board licenses approximately 4,314 dentists, 3,321 dental hygienists, and eight denturists.

According to Arizona Revised Statutes (A.R.S.) § 32-1213, a business entity may not offer dental services unless that entity is registered with the Board and the services it offers are conducted by a licensed dentist. To register, statute requires an applicant to: file an application on the form provided by the Board, file a separate application for each office in Arizona, pay a registration fee for each office, and re-register every year after the date of issuance. The business entity must notify the Board in writing within thirty days after any change in: entity name, address, or telephone number, location of any office, and licensee who is authorized and who is responsible for the dental services offered at a particular office.

## Provisions

- Increases the compensation for members of the Board to \$250 for each day actually spent in performing necessary work authorized by the Board.
- Requires the Board to issue licenses to those it determines are eligible.
- Strikes the requirement that the Board determine the eligibility of applicants for examination, examine those found to be eligible, and issue licenses to those who pass the examination.
- Specifies that an applicant for licensure must hold a diploma conferring a degree of doctor of dental medicine or doctor of dental surgery.
- Deletes the requirements a candidate must meet if a candidate does not attend a recognized dental school.
- Clarifies that disciplinary action may be invoked for committing or aiding, directly or indirectly, a violation of, or noncompliance with the Board's statutes or rules.
- Defines *business entity*.
- Modifies the definitions of *irregularities in billing* and *unprofessional conduct*.

- Makes technical and conforming changes

**Regulation of Business Entities**

- Includes the names and addresses of the officers and directors of a business entity to the list of things that must be included on a registration application form filed by a business entity.
- Stipulates that a business entity must pay a fee for each branch office in Arizona.
- Specifies that a registration expires three years after the date the Board issues the registration.
- Requires a business entity to renew a registration by submitting an application for renewal on a triennial basis on a form provided by the Board before the expiration date.
  - Stipulates that an entity that fails to renew the registration before the expiration date is subject to a late fee as prescribed by the Board.
  - Allows the Board to stagger the dates for renewal applications.
- Requires a business entity to notify the Board in writing within thirty days after any change in the officers or directors of the business entity.
- Requires a business entity to establish a written protocol for the secure storage, transfer, and access of the dental records of the business entity's patients, which at a minimum must include procedures for:
  - Notifying patients of the future locations of their records if the business entity terminates or sells the practice.
  - Disposing of unclaimed dental records.
  - The timely response to requests by patients for copies of their records.
- States that a business entity is required to notify the Board within thirty days after the dissolution of any registered business entity or the closing or relocation of any facility and must disclose to the Board the manner by which the entity's patients may obtain their records.
- Allows the Board to carry out the following disciplinary actions if a business entity violates the Board's statutes:
  - Enter a decree of censure.
  - Issue an order prescribing a period and terms of probation that are best adapted to protect the public welfare and that may include a requirement for restitution to a patient.
  - Issue a letter of concern if a business entity's actions may cause the Board to take disciplinary action.
- Exempts the following entities from requirements related to business entities:
  - Sole proprietorships or partnerships that consist exclusively of persons licensed by the Board.
  - Professional corporations or professional limited liability companies if the shares are exclusively owned by persons licensed by the Board.
  - Facilities regulated by the federal government or a state, district, or territory of the United States.
  - Administrators or executors of the estate of a deceased dentist or a person who is legally authorized to act for a dentist who has been adjudicated to be mentally incompetent, for not more than one year after the Board receives notice of the dentist's death or incapacitation.
- Exempts from restrictions on licensees interfering with business entity policies, and on business entities interfering with the professional judgment of a licensee, issues relating to insurance coding and billing that require the name, signature, and license number of the dentist providing treatment.



- Requires the Board to adopt rules that provide a method for the Board to receive assistance and advice from licensed business entities in all matters relating to the regulation of business entities.
- Exempts from civil liability a licensee or registered business entity that makes a report of unprofessional conduct or unethical conduct in good faith.
- Allows the Board to take disciplinary action against a licensed business entity for unethical conduct.
  - Includes a definition of unethical conduct.

#### **Retired, Disabled, or Deceased Licensees**

- Exempts retired or disabled licensees from paying a triennial license renewal fee.
- Requires a disabled or retired licensed dentist to submit a passport sized photograph on or before June 30<sup>th</sup> of every third year to the Board.
- Allows a licensee who is over sixty-five years of age and who is fully retired, and a licensee who is permanently disabled, to contribute services to a recognized charitable institution for a reduced renewal fee as prescribed by the Board.
- Requires a licensee applying for retired or disabled status to relinquish any prescribing privileges and provide evidence of surrendering any registrations or permits to prescribe or dispense drugs.
- Stipulates that an administrator or executor of the estate of a deceased dentist, or a person who is legally authorized to act for a dentist who has been adjudicated to be mentally incompetent, must notify the Board within sixty days after the dentist's death or incapacitation.
- Permits the administrator or executor of the estate of a deceased dentist to employ a licensed dentist for a period not to exceed one year to continue the dental practice or conclude the affairs of the deceased or incapacitated dentist, including the sale of any assets.
- Requires an administrator or executor operating a practice for more than one year to register as a business entity.

#### **Maintenance of Records**

- Requires a patient's dentist, dental hygienist, denturist, or a registered business entity to transfer copies of that patient's records to another licensee or certificate holder or that patient within fifteen days of a patient's written request.
- Stipulates that the Board must by rule prescribe the reasonable costs of reproduction of patient records.
- Allows a dentist, dental hygienist, denturist, or registered business entity to require that payment of reproduction costs be made in advance, unless the records are necessary for continuity of care.
- Prohibits copies of patient records from being withheld due to an unpaid balance for dental services.
- Requires a registered business entity to retain a copy of a patient's records for a specified length of time.

#### **Regulation of Denturists**

- Requires an applicant for certification to pass a board approved examination.
- Eliminates requirements related to how examinations shall be conducted and how examination records shall be maintained.
- Repeals statutes related to the accreditation of schools issuing degrees in denture technology.



# HOUSE OF REPRESENTATIVES

## SB 1356

infection prevention; advisory committee

Sponsors: Senators O'Halleran, Representative McClure; Verschoor, et al.

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**DP** Committee on Health  
**DP** Committee on Government  
**X** Caucus and COW

House Engrossed

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SB 1356 creates an Infection Prevention and Control Advisory Committee (Committee) to examine and make recommendations related to community and health care related infections (HAIs).

### **History**

The Centers for Disease Control and Prevention (CDC) defines HAIs as infections that patients acquire during the course of receiving treatment for other conditions within a healthcare setting. The CDC estimates that HAIs account for 1.7 million infections and 99,000 associated deaths each year. According to an October 2007 National Conference of State Legislatures' report, 5-10% of all patients contract at least one HAI during their stays in acute care hospitals, leading to costs of \$20 billion each year.

### **Provisions**

- Establishes the Committee consisting of the Director of the Department of Health Services (DHS) or the Director's designee, the State Epidemiologist or the State Epidemiologist's designee, thirteen members appointed by the Director of the DHS and any additional members the Director of the DHS may appoint to address relevant issues as necessary.
- Requires the Committee to do the following:
  - Elect a committee chairperson at its first meeting.
  - Review federal and state efforts to address the problem of HAIs.
  - Recommend standard definitions for HAIs and other relevant terms that may be used to identify and monitor these infections.
  - Review current federal and state mandates relating to surveillance, prevention, and control of HAIs, including reporting requirements, value based purchasing requirements, and Medicare conditions of participation requirements.
  - Determine if additional HAI reporting requirements are necessary to improve patient safety and health care outcomes, taking into account the potential differences in infection risks for health care institutions.
  - Recommend best practices for the prevention and control of HAIs, including benchmarks based on national standards for improvement of HAI prevention and control efforts in health care institutions.
  - Recommend components of a community education campaign that fosters awareness and education of the public regarding the risk factors, behaviors, and prevention techniques associated with HAIs, as well as strategies to prevent antimicrobial drug resistance.

**SB 1356**

- Requires the Committee to submit a written report of its findings and recommendations to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairpersons of the Health Committees of the Senate and the House of Representatives on or before December 31, 2009.
- Contains a delayed repeal date from and after September 30, 2010.



# HOUSE OF REPRESENTATIVES

SB 1418

tobacco cessation medication; coverage; AHCCCS

Sponsors: Senators Leff, Allen, Blendu, et al.

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**DP** Committee on Health

**W/D** Committee on Appropriations

**X** Caucus and COW

House Engrossed

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SB 1418 allows the Arizona Health Care Cost Containment System (AHCCCS) to expend monies, other than those originating from the State General Fund, on tobacco use medications for members.

## **History**

The AHCCCS is responsible for administering Arizona's Medicaid program. The AHCCCS administers programs related to the provision of health care services to persons who meet eligibility requirements dependent on the program applied for. Criteria for eligibility may include, among other factors: household income, age, residency status, whether a woman is pregnant, and whether a person is disabled. Some eligibility groups are mandated by federal law, while others were approved by the voters via ballot initiative. The AHCCCS administers acute-care and long-term care programs, as well as supplemental assistance for Medicare beneficiaries. The AHCCCS's long-term care services are provided through the Arizona Long-Term Care System (ALTCS). Medicare beneficiaries receiving supplemental assistance through the AHCCCS are known as dual-eligibles, as they are eligible for both Medicare and Medicaid.

In 2002, Proposition 303 was approved by the voters creating the Health Education Account (HEA). Pursuant to Arizona Revised Statutes § 36-772, two cents of each dollar in the Tobacco Products Tax Fund and twenty-three cents of each dollar in the Tobacco Tax and Health Care Fund shall be deposited in the HEA for programs for the prevention and reduction of tobacco use. The Department of Health Services is charged with administering the HEA and spending the funds to contract with community organizations for education programs related to preventing and reducing tobacco use.

## **Provisions**

- Allows the AHCCCS to expend monies to provide replacement therapies and tobacco use medications to members of the AHCCCS, the ALTCS, and dual-eligibles.
- Prohibits the AHCCCS from using monies from the State General Fund for this purpose.



# HOUSE OF REPRESENTATIVES

SB 1277

task force; retraining disabled veterans

Sponsor: Senator Huppenthal

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**DPA** Committee on Higher Education

**DP** Committee on Counties, Municipalities and Military Affairs

**X** Caucus and COW

House Engrossed

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SB 1277 establishes the Task Force for Retraining Disabled Military Veterans (Task Force) under the Arizona Board of Regents (ABOR) and sets forth certain requirements for the Task Force and its members.

## **History**

Currently the United States Department of Veterans Affairs administers the Vocational Rehabilitation and Employment Service (VR&E). The mission of the VR&E is to help veterans with service-connected disabilities prepare for, find and keep suitable jobs. Various services are provided such as: rehabilitation evaluation to determine abilities, skills, interests and needs; employment services such as job-seeking skills, resume development and other work readiness assistance; training such as on-the-job-training, apprenticeships and non-paid work experiences; and post-secondary training at a college, vocational, technical or business school.

To be eligible to receive an evaluation for VR&E services, a veteran must have received an other than dishonorable discharge, have a service-connected disability rating of at least 10% and submit a completed application for VR&E services. The eligibility period for VR&E is 12 years from the date of separation from active military service or the date the veteran was notified of a service-connected disability rating.

If eligibility is established a veteran must meet with a Vocational Rehabilitation Counselor (VRC) for an evaluation to determine whether the veteran is entitled to services. This evaluation assesses the following: the veteran's interests and abilities; if the service-connected disabilities impair his or her ability to find a job; and goal development and vocational exploration. A veteran is entitled to the services if the veteran has an employment handicap and is within his or her 12 year basic period of eligibility. Additionally, the veteran must have a 20% or greater service-connected disability rating.

Once an entitlement is determined, the VRC may then assist the veteran in such areas as identifying physical demands and other job characteristics, narrowing vocational options to identify a suitable employment goal and/or developing and individualized plan to achieve the identified employment. The VRC and the veteran will work to choose one of the 5 tracks of service, which are: reemployment; rapid employment services for new employment; self-employment; employment through long term services; or independent living services.

**Provisions**

- Establishes the Task Force under the ABOR.
- Specifies the Task Force is required to:
  - Elect a chairperson who is a member of the Task Force and is elected each calendar year.
  - Have a quorum that consists of a majority of the members.
  - Meet at least once each calendar year.
- Prohibits the members from receiving compensation.
- States that Task Force members are to serve at the pleasure of the appointing authority.
- Requires the ABOR to provide the Task Force with staff support, assistance and resources.
- Requires the Task Force to:
  - Research, collect, communicate and publicize information on the availability of educational programs to retrain disabled military veterans unable to return to their previous occupations.
  - Act as a coordinating entity between military veterans unable to return to their previous occupations, public and private educational institutions and local, state and federal government agencies and programs.
  - Examine best practices of other states when dealing with the retraining of disabled military veterans unable to return to their previous occupations.
  - Provide an assessment to what extent Arizona's universities have reached out to disabled military veterans unable to return to work.
  - Submit a report annually to the Legislature and the Governor on or before December 1 regarding the Task Force's activities.
- Contains a termination section.

**Amendments**

**Higher Education**

- Changes the composition of the Task Force membership to include two persons appointed by the Governor and one of the persons is required to be a community college representative.
- Requires the community colleges in Arizona to provide a general assessment of the extent to which they have reached out to disabled military veterans unable to return to their previous occupations.



# HOUSE OF REPRESENTATIVES

SB 1441

foster care; expedited permanency  
Sponsors: Senator Landrum Taylor

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**DPA** Committee on Human Services

**X** Caucus and COW

House Engrossed

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SB 1441 expedites permanency for children under the age of five who have been removed from the home and requires the court to order the Department of Economic Security (DES) to place a child in a prospective adoptive home within thirty days after a permanency hearing is held.

## History

Children who have been removed from their home by Child Protective Services (CPS) are placed in temporary out-of-home care, with a case plan goal of permanency for that child. After the child's removal from the home into temporary placement, the court must hold a preliminary protective hearing within five to seven days to determine if temporary placement should continue. At the hearing, the court will accept testimony from the parents or any witnesses, consider evidence or mitigating factors, and inform the parents of their legal rights as well as the possibility of terminating parental rights. Pending a dependency petition, the court evaluates the child's need for continued protection, placement, visitation and services, and enters orders regarding placement (A.R.S. §8-824).

A dependency petition must state the facts supporting the conclusion that the child is dependent, such as if the child is destitute or not provided with adequate food, clothing, shelter or medical care or the child's home is unfit due to abuse or neglect by a parent, guardian or custodian. If the court finds by a preponderance of the evidence that the allegations contained in the dependency petition are true, the court adjudicates the child dependent and conducts a disposition hearing to enter orders regarding the child's care and placement. The court is required to review the child's case plan and to seek reunification of the family if possible. If the court determines reunification is not in the child's best interests, the court orders a case plan of termination of parental rights and adoption or another permanent placement such as permanent guardianship. Periodic review hearings are held at least once every six months to reconsider the child's case plan (A.R.S. §8-844, A.R.S. §8-845, A.R.S. §8-847).

A petition for legally terminating the parent-child relationship may be submitted by any person or agency that has a legitimate interest in the welfare of the child, including a relative, foster parent, physician, DES or a licensed child welfare agency. The court must base the decision to terminate parental rights on the best interests of the child and evidence which sufficiently justifies the termination. Statute outlines circumstances which would individually constitute sufficient grounds for terminating the parent-child relationship when considered in conjunction with the child's best interests. Grounds for termination of parental rights include: abuse or neglect; abandonment; inability to discharge parental responsibilities due to mental illness or

chronic substance abuse; conviction of a felony proving the unfitness of that parent to have custody of a child; proof that the parent has had parental rights to another child terminated within the past two years for the same cause; or demonstration that the child has been in out-of-home placement for longer than nine months and the parent neglected or refused to remedy the deficiencies (A.R.S. §8-533).

If the court does not order reunification services, a permanency hearing is held thirty days after disposition to determine the permanent legal status of the child. At the permanency hearing, the court determines whether termination of parental rights, adoption, permanent guardianship or some other permanent legal status is the most appropriate plan for the child, and whether reasonable efforts were made to finalize the permanency plan currently in effect (A.R.S. §8-862).

A final adoption hearing is held after a petition for adoption is filed (A.R.S. §8-113). According to current statute, the court is required to conduct the final adoption hearing within six months after the petition is submitted, unless specific circumstances apply as follows:

1. If the child has lived with the prospective adoptive parent for at least one year, the adoption hearing must be held within sixty days after the petition is filed.
2. If the child has lived with the prospective adoptive parent for at least half a year, the hearing must be held within ninety days.
3. If the child is less than six months old, the hearing must be held within ninety days.

### **Provisions**

- Increases the age of a child for whom the court must hold a final adoption hearing within ninety days after an adoption petition is received, from under six months of age to under five years of age.
- Establishes the following circumstances as grounds for terminating parental rights:
  - A child under the age of five has been in out-of-home placement for a cumulative period of six months or more.
  - The parent has substantially neglected or wilfully refused to remedy the circumstances causing the child to be in out-of-home care, including refusing to participate in reunification services offered by DES.
- Affirms that the court is required to consider the availability of reunification services to the parent and the parent's participation in these services when considering termination of parental rights based on these circumstances.
- Requires the court to inform the parent of a child under five years old of these grounds for termination at a preliminary protective hearing.
- Specifies additional information the court is required to provide at a preliminary protective hearing. Specifically, the court is required to:
  - Inform a foster parent, pre-adoptive parent, grandparent or other extended family member with whom the child has been placed of their right to be heard in any proceeding relating to the child.
  - Notify a relative identified as a possible placement for the child of their right to be heard in any proceeding relating to the child.



## **SB 1441**

- Directs the court to determine within six months after the child is removed from the home whether reasonable efforts have been made to provide reunification services to the parent if the child is under five years of age.
- Requires the court to consider at the first periodic review hearing whether the parent of a child under five years of age has substantially neglected or wilfully refused to participate in reunification services offered by DES.
- Mandates the court to hold a permanency hearing within six months after a child who is under five years of age is removed from the home.
- Prohibits the court from postponing the permanency hearing beyond six months unless the party seeking the postponement shows that the court has already determined whether reasonable efforts have been made to provide reunification services to the parent.
- Requires the court, at the permanency hearing, to order DES to place the child in a prospective adoptive home within thirty days unless the child is already placed with a prospective adoptive parent.

### **Amendments**

#### **Human Services:**

- Applies the provisions of the bill to a child under the age of three, rather than under the age of five.
- Clarifies that notice of the possibility of terminating parental rights due to parent neglect or refusal to remedy offensive circumstances is given to all parents at a preliminary protective hearing, not just parents of children under the age of five.
- Eliminates the requirement for the court to order DES to place a child in a prospective adoptive home within thirty days, and instead requires DES to make reasonable efforts to place the child in a timely manner in accordance with the permanency plan and to complete any steps necessary to finalize the permanent placement of the child.



# HOUSE OF REPRESENTATIVES

SB 1442

dependent children; placement; hearings

Sponsor: Senator Landrum Taylor

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**DP** Committee on Human Services

**X** Caucus and COW

House Engrossed

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SB 1442 modifies procedures the court must follow during preliminary protective hearings.

## **History**

A preliminary protective hearing must be held within five to seven days after a child has been removed from the home and taken into temporary custody as a result of allegations of child abuse or neglect. Relatives, witnesses, foster parents, potential adoptive parents or individuals with whom the child has a significant relationship are required or permitted to attend pre-hearing meetings and the preliminary protective hearing. At the preliminary protective hearing, the court will accept testimony from the parents or any witnesses, inform the parents of their legal rights as well as the possibility of terminating parental rights, consider any evidence or mitigating factors and determine if temporary placement for the child should continue.

During the preliminary protective hearing, the parent or guardian is obligated to either admit or deny the allegations found in the dependency petition. If the parent admits or does not contest the allegations, the court assumes that the parent understands and voluntarily waives their rights. After the court determines at the preliminary protective hearing if continued temporary custody is clearly necessary, a dependency adjudication hearing is scheduled.

## **Provisions**

- Requires the court, during the preliminary protective hearing, to inform a foster parent, pre-adoptive parent, grandparent or other extended family member with whom the child has been placed of their right to be heard in any proceeding relating to the child.
- Directs the court to notify a relative identified as a possible placement for the child of their right to be heard in any proceeding relating to the child.
- Makes technical changes.



# HOUSE OF REPRESENTATIVES

SB1452

homeowners' associations; foreclosures; voting rights  
Sponsor: Senator Gould

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**DP** Committee on Homeland Security & Property Rights

**X** Caucus and COW

House Engrossed

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SB 1452 limits the right of a declarant in a planned community to hold a majority of votes for purposes of voting for the community board of directors (board) in certain circumstances.

## History

Title 33, Chapters 9 and 16 of the Arizona Revised Statutes (A.R.S), outline the regulatory requirements for condominiums and Planned Communities (single-family homes) respectively, and are commonly known as HOAs. The codes, covenants and restrictions provide direction to the HOA, and a board of directors duly elected by the membership varies accordingly. Statute requires the board to manage the activities of the HOA including adopting and amending bylaws/rules, requirements for casting votes, holding open meetings, hiring and discharging managing agents and imposing and receiving fees, fines and assessments. The HOA's board is responsible for maintenance, repair and replacement of the common elements within the association, as well as imposing penalties for violations of bylaws and rules.

A.R.S. § 33-1802 defines a "planned community" as a real estate development which includes real estate owned and operated by a nonprofit corporation or unincorporated association of owners that is created for the purpose of managing, maintaining or improving the property and in which the owners of separately owned lots, parcels or units are mandatory members and are required to pay assessments to the association for these purposes.

## Provisions

- Stipulates that a declarant for a planned community is eligible to vote for only the number of members of the board of directors that constitutes a minority of the membership of the board if all of the following apply;
  - The planned community contained more than 3,000 lots as originally platted.
  - More than 500 lots have been sold or otherwise conveyed to a person other than the declarant.
  - The declarant was not the original declarant and acquired title to the lots through compromise and settlement of unpaid property taxes.
- Stipulates that the non-declarant owners of the lots in a planned community covered by these provisions are eligible to vote for the number of members of the board that constitutes a majority of the membership of the board.



# HOUSE OF REPRESENTATIVES

## SB1491

subdivision reports; notice

Sponsors: Senators Gorman: Blendu, McCune Davis

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**DPA** Committee on Homeland Security & Property Rights

**X** Caucus and COW

House Engrossed

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SB 1491 is an emergency measure that requires the Arizona Department of Real Estate (Department) to record a public notice indicating that land has been unlawfully subdivided.

### **History**

Arizona Revised Statutes (A.R.S.) Title 32, Section 2102 states that the purpose of the Department is to protect the public interest through licensure and regulation of the real estate profession in the State of Arizona. The Department is under the direction of the Real Estate Commissioner (Commissioner) who is appointed by the Governor and confirmed by the Senate. A nine-member Advisory Board, also appointed by the Governor, provides advice and counsel to the Commissioner in matters related to the real estate industry and its relationship with the public.

The Department of Real Estate licenses and regulates more than 67,000 real estate salespersons and brokers and approximately 10,000 corporations as well as other entities engaged in the sale of real property.

A.R.S. § 32-2181 requires the subdivider to notify the Commissioner, in writing, of the subdivider's intention before offering subdivided lands for sale or lease.

A.R.S. § 33-422 requires certain sellers to provide a written affidavit disclosing specified information to the buyer.

### **Provisions**

#### ***Recording of Actions***

- Requires the Commissioner to also provide notice of the order or suspension to all parties with a financial interest in the subdivision property with 15 days of issuing the order of suspension.
- Requires the Department to also record a public notice in the county in which the subdivided land is located when the land has been subdivided in violation of this article. *The notice shall state that no building permits are allowed for the land until the proper state and local approvals are acquired.*
- Requires the Department to record a release in the same manner with 15 days after the subdivision has corrected the violations and is now in compliance with these provisions.

***Civil Penalties***

- Allows the Department to fine a subdivider who is in violation of this article after December 31, 2008 and after a hearing an amount up to five thousand dollars for each infraction.
- Stipulates that an infraction that concerns more than one lot in a subdivision is a single infraction for the purposes of these provisions.
- Stipulates that a proceeding for the imposition of a civil penalty or suspension or revocation of a license for a violation or any rule adopted or order issued by the Commissioner must be commenced within five years of actual discovery by the Department or discovery that should have occurred with the exercise of reasonable diligence by the Department.

***Recording of Actions***

- Requires that the Commissioner records whenever the Commissioner:
  - Issues a cease and desist order.
  - Obtains a court order enjoining further sales.
  - Issues an order of prohibition.
  - Suspends approval of an un-subdivided lands public report.
- Requires the Commissioner to provide notice of the order or the suspension to all parties with a financial interest in the un-subdivided property within 15 days of the issuing the order or suspension.
- Stipulates that in the event of a revocation of any of the orders which require recording, an order of release shall be recorded in the same manner.

***Disclosure Affidavit***

- Adds to the disclosure affidavit form a new provision stating:  
*19. Use of the property ☐ Is ☐ Is not limited in any way relating to development due to a lis pendens, a court order, a State Real Estate Department order of a pending legal action. If the use of the property is limited, the seller or property owner shall disclose the limitations to the buyer.*  
*Explain: \_\_\_\_\_.*
- Contains an *emergency* clause.

**Amendments**

**Homeland Security & Property Rights**

- Modifies the language regarding who gets notified about suspension orders to require each property owner to be notified at the their last known address.
- Requires the Commissioner, until January 1, 2009, to exempt certain lands, provided the Commissioner has received a written petition, and there is no evidence that the owner has violated the governing article. *The petition is exempt from filing fees.*



# HOUSE OF REPRESENTATIVES

SB 1016

unlawful sexual conduct; correctional facilities

Sponsor: Senator Gray C

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**DP** Committee on Judiciary

**X** Caucus and COW

House Engrossed

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SB 1016 clarifies that a person commits unlawful sexual conduct by *intentionally* or *knowingly* engaging in any act of a sexual nature with an offender.

## History

A.R.S. § 13-1419 states that a person commits unlawful sexual conduct by engaging in any act of a sexual nature with an offender who is in the custody of any of the following:

- The Arizona Department of Corrections (ADC).
- The Department of Juvenile Corrections.
- A private prison facility.
- A city or county jail.

The penalty for unlawful sexual conduct under this section is:

- A Class 2 felony if the person is under the age of 15.
- A Class 3 felony if the person is between the ages of 15 and 17.
- A Class 5 felony if the person is over the age of 17.

## Provisions

- Clarifies that a person commits unlawful sexual conduct by *intentionally* or *knowingly* engaging in any act of a sexual nature with an offender.
- Makes a technical change.



# HOUSE OF REPRESENTATIVES

## SB 1186

judicial performance reviews; court commissioners

Sponsors: Senators Gray C: Gray L

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**DP** Committee on Judiciary

**X** Caucus and COW

House Engrossed

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SB 1186 requires the Arizona Supreme Court to adopt and administer a process for evaluating Superior Court Commissioners in counties with a population of 250,000 persons or more.

### History

The Arizona Constitution was amended in 1974 to create a merit selection and retention system for judges. A Judicial Review Process (JRP) for judges was established in 1992 that includes written performance standards, performance reviews and public participation.

On September 25, 2007, the Maricopa County Superior Court released an administrative order requiring a similar JRP for Superior Court Commissioners (Commissioners). The Commissioners are required to participate in a Judicial Performance Survey every two years for 60 days. Surveys are given to litigants, attorneys, witnesses, empanelled jurors, victims, and parents in juvenile and probate matters. The surveys must be part of the Commissioners' personnel files.

As established by Supreme Court rule, Commissioners are allowed to hear and determine various types of cases including the dissolution of marriages, the garnishment of monies, property or earnings, the Uniform Enforcement Support Act, trusts, estates and protective proceedings and mental health.

### Provisions

- Requires the Arizona Supreme Court to adopt and administer a process for evaluating Commissioner performance in counties with a population of 250,000 persons or more.
- Stipulates that review process, established by court rules, must include written performance standards and performance reviews that survey opinions of persons who have knowledge of the Commissioner's performance.
- Requires the public to be afforded the opportunity for participation in the evaluation process through:
  1. Public hearings;
  2. Dissemination of evaluation reports; and
  3. Any other methods as the court deems advisable.
- Requires the Supreme Court to publish and maintain current and previous evaluation reports on its website.



# HOUSE OF REPRESENTATIVES

SB 1274

ACJC; cold case investigation protocol

Sponsor: Senator Huppenthal

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**DP** Committee on Judiciary

**X** Caucus and COW

House Engrossed

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SB 1274 requires the Arizona Criminal Justice Commission to gather and disseminate information pertaining to best practices for cold case investigations.

## History

The Arizona Criminal Justice Commission (ACJC) was established in Arizona in 1982 as an organization with the purpose of addressing criminal justice issues. In 1985, its purpose broadened, and the ACJC began to serve as a resource and service organization for Arizona's 480 criminal justice agencies on issues ranging from drugs, gangs, victim compensation and assistance to criminal record improvement initiatives. The ACJC's specific duties are outlined in A.R.S. § 41-2405. These responsibilities include:

- Monitoring criminal justice legislation;
- Facilitating information and data exchange among criminal justice agencies and maintaining the archives;
- Allocating certain funds for various organizations;
- Preparing reports for certain agencies; and
- Other responsibilities directed by statute.

A.R.S. § 41-2404 outlines the membership of the ACJC as follows:

- 14 members from specific organizations and departments appointed by the Governor (no more than 7 from the same political party);
- The Attorney General or the Attorney General's designee;
- The director of the Department of Corrections or the director's designee;
- The director the Department of Public Safety or the director's designee;
- The administrative director of the courts or the director's designee; and
- The chairman of the Board of Executive Clemency or the chairman's designee.

## Provisions

- Requires the ACJC to compile and disseminate information on best practices for cold case investigations, including effective victim communication procedures.
- Defines *cold case*.





# HOUSE OF REPRESENTATIVES

SB 1412

biological evidence; retention; preservation

Sponsors: Senators Huppenthal, Allen; Gray L, et al.

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**DPA** Committee on Judiciary

**X** Caucus and COW

House Engrossed

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SB 1412 requires governmental agencies to retain biological evidence in a condition that is suitable for DNA testing for the duration of the convicted person's incarceration or supervised release or for 55 years in a cold case.

## **History**

According to A.R.S. § 13-4240, persons convicted of and sentenced for a felony offense may petition the court at any time in order to request DNA testing of any evidence that is the possession of the court or the state and that is related to the conviction. If the evidence is still in a condition suitable for DNA testing and was not previously tested, the court may order DNA testing. The DNA testing is mandatory if the court finds that a reasonable probability exists that the petitioner would not have been prosecuted or convicted if exculpatory DNA testing results had been obtained. The testing is optional if the court finds that either DNA testing will produce exculpatory evidence or the petitioner's verdict or sentence would have been more favorable if DNA testing had been available.

If the results of the postconviction DNA testing are favorable to the petitioner, the court must order a hearing. If the results are not favorable to the petitioner, the court must dismiss the petition and may do any of the following:

- Notify the Board of Executive Clemency or a probation department;
- Request that the petitioner's sample be added to the federal database; or
- Notify the victim or family of the victim.

## **Provisions**

- Requires the appropriate governmental entity to retain all identified biological evidence that is secured in connection with a felony sexual offense or homicide for the following periods of time in a condition that is suitable for DNA testing:
  - If the person is convicted, for the amount of time that the person remains incarcerated for that offense or until the completion of the person's supervised release; or
  - If it is a cold case, 55 years or until a person is convicted of the crime and remains incarcerated or under supervised release.
- Stipulates that the retained biological evidence must be made available for postconviction DNA testing.

## SB 1412

- Specifies that governmental entities are not precluded from disposing of evidence in cases where a conviction has been obtained after the expiration of the defendant's sentence.
- Allows governmental entities to dispose of bulk physical evidence after the conclusion of the convicted defendant's direct appeal and first postconviction relief proceeding if no other law requires the biological evidence be retained and the following take place:
  1. The county attorney and the Attorney General agree; and
  2. Written notice is given to the defendant, the victim and any counsel of record.
- Stipulates that the governmental entity's discretion with regard to the conditions under which the biological evidence is retained, preserved or transferred among different entities is not limited so long as the conditions are suitable for DNA testing.
- Defines *biological evidence* and *cold case*.
- Changes the article heading of A.R.S. Title 13, Chapter 38, Article 28 to "Retention and preservation of biological evidence."

### Amendment

#### **Judiciary**

- Allows the government entity that investigates the crime to establish procedures for retaining representative samples of biological evidence and disposing of bulk evidence that do not affect the suitability of the representative sample for DNA testing.
- Stipulates that the county attorney or the Attorney General must approve the disposal of any bulk evidence.
- Requires that reasonable efforts be made to provide written notice to the victim before the disposal of any bulk evidence.



# HOUSE OF REPRESENTATIVES

## SB 1339

law enforcement; probation; officers; investigations

Sponsors: Senators Gray L, Blendu, Representative McClure, et al.

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**DP** Committee on Natural Resources and Public Safety

**X** Caucus and COW

House Engrossed

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Senate Bill 1339 allows for law enforcement officers and probation officers to be subject to a polygraph test during the course of an investigation of the officer that may lead to dismissal, demotion or suspension if differing statements made by the officer need to be reconciled with information known by the officer's employer. The bill also modifies procedures for appeals of disciplinary actions by law enforcement officers and probation officers.

### History

Law enforcement officers and probation officers have the right to request representation during an interview that the employer reasonably believes will result in dismissal, demotion or suspension. Before the interview may begin, the employer must inform, in a written notice, the law enforcement officer or the probation officer of the following information:

- The specific nature of the investigation,
- The officer's status in the investigation,
- All known allegations of misconduct that are the reason for the interview, and
- The officer's right to have a representative present at the interview. (A.R.S. § 38-1101)

A.R.S. § 38-1101 provides procedures for the exchange and dissemination of information in any appeal of a disciplinary action by a law enforcement officer or probation officer and also defines *disciplinary action* as the dismissal or demotion or the suspension for more than forty hours of a law enforcement officer or probation officer that is authorized by statute, charter or ordinance and that is subject to a hearing or other procedure by a local merit board, a civil service board, an administrative law judge or a hearing officer.

### Provisions

- Allows a law enforcement officer's or probation officer's employer to require the officer to take a polygraph test if the officer makes a statement during the course of an investigation of the officer that differs from other information that is known to the employer and reconciling the information is necessary to complete the investigation.
  - An audio recording of the polygraph test must be made and a copy given to the officer.
- Allows for the change of a hearing officer or administrative law judge that has been appointed to conduct an appeal hearing of a disciplinary action, where the employer is a county with a population of 250,000 or more persons or a city with a population of 65,000 or more persons, as follows:
  - Upon a first request of a party, and
  - All other requests, on a showing that a fair and impartial hearing cannot be obtained due to the prejudice of the assigned hearing officer or administrative law judge.

**SB 1339**

- Mandates that the employer has the burden of proof in an appeal of a disciplinary action by a law enforcement officer or probation officer.
- Modifies the definition of *disciplinary action*.
- Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

## SB 1156

automobile theft authority; public records

Sponsors: Senator Gray C

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**DPA** Committee on Transportation

**X** Caucus and COW

House Engrossed

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Senate Bill 1156 provides that all personal or vehicle information voluntarily submitted to the Arizona Automobile Theft Authority (AATA), for the purposes of reducing auto theft, be confidential and not available for public disclosure.

### **History**

The AATA was first created in 1992 by the Arizona Legislature. The AATA is a state agency whose mission is to deter vehicle theft through a cooperative effort by supporting law enforcement activities, vertical prosecution, and public awareness/community education programs. AATA is funded by the Insurance Industry by a mandatory \$1 per year assessment on every vehicle insured in the State of Arizona. The Agency does not receive any funding from the State's General Fund.

In addition to the Watch Your Car Program, the AATA also funds the Arizona Vehicle Theft Task Force and issues grants to local criminal justice agencies for law enforcement, vertical prosecution, and public awareness/community education activities.

The Watch Your Car Program is a free, voluntary program whereby vehicle owners enroll their vehicles with the Arizona Automobile Theft Authority. The vehicle is then entered into the Motor Vehicle Department (MVD) database and participants receive decals for their front and rear windows. By enrolling in this program, vehicle owners convey to law enforcement officials that their vehicle is not usually in use between the hours of 1:00 AM and 5:00 AM, when the majority of auto thefts occur. In addition, by enrolling in the Watch Your Car Program, vehicle owners also authorize law enforcement officials to stop their vehicle at any time during the day or night within one mile of the international border, if there is a suspicion that the vehicle is being illegally operated. If a police officer witnesses the vehicle in operation between these hours, they have the right to stop the vehicle and verify it is being legally operated by the rightful owner.

Citizens registering for the Watch Your Car Program are required to provide their name, street address, primary and secondary phone numbers as well as all vehicle information. This information, which is store electronically, is currently not protected from public disclosure.

The FBI's 2006 Uniform Crime Report (UCR) released September, 2007, indicates there were an estimated 1.2 million motor vehicle thefts in the United States in 2006 with an estimated value of approximately \$7.9 billion dollars.

In Arizona, there were 54,849 stolen vehicles in 2006 and 68.6% were recovered. Stolen vehicles that were not recovered were often shipped overseas or driven across the United States borders, stripped by chop shops and resold as parts, re-tagged and resold to unsuspecting consumers, or hidden or destroyed by the owner to collect an insurance settlement.

**Provisions**

- States that any personal or vehicle information voluntarily submitted to the AATA or that the AATA disseminates to another state agency as part of a program designed to reduce auto theft not be subject to disclosure to the public.

**Amendments**

**Transportation**

- Changes the statutory reference from Title 39 to Title 41 of Arizona Revised Statutes.



# HOUSE OF REPRESENTATIVES

## SJR 1001

Hashknife pony express memorial trail

Sponsors: Senator Flake: Representatives Brown, Konopnicki

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**DP** Committee on Transportation

**X** Caucus and COW

House Engrossed

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Senate Joint Resolution 1001 recognizes portions of certain state roadways as the route used by the Hashknife Pony Express in honor of the Hashknife Posse's fiftieth annual ride from Holbrook to Scottsdale. SJR 1001 also directs the Arizona Department of Transportation (ADOT) to work with the Hashknife Pony Express Posse (Posse) on the design and placement of signs identifying the Hashknife Pony Express post route.

### History

The Pony Express was established in April 1860 in an effort to shorten the length of time needed to deliver mail from the eastern United States to settlements in the west.

The Hashknife Pony Express makes its ride every January traveling 200 miles from Holbrook to Scottsdale, and delivering 20,000 first-class letters by horseback. The ride is led by the Navajo County Hashknife Sheriff's Posse. More than two dozen riders in authentic cowboy clothing carry the mail, relaying the bags along the route. The arrival of the Hashknife Pony Express in Scottsdale kicks off the annual Parada del Sol. The Hashknife Pony Express is the oldest officially sanctioned Pony Express in the world.

### Provisions

- Establishes the following state roadways as routes used by the Hashknife Pony Express:
  - 1) State Highway 77, from the intersection of Erie Street and Navajo Boulevards in Holbrook to its intersection with State Route 377.
  - 2) State Route 377, from its intersection with State Highway 77 to its intersection with State Route 277.
  - 3) State Route 277, from its intersection with State Route 377 to its intersection with Mogollon Drive in Overgaard.
  - 4) State Route 260, from its intersection with Mogollon Drive in Overgaard to its intersection with State Route 87.
  - 5) State Route 87, from its intersection with State Route 260 to its intersection with McDowell Road, and from its intersection with State Route 260 to the post office in Pine.
- Directs the ADOT to work with the Posse on the design and placement of signs identifying the Hashknife Pony Express post route.
- Requires the Posse or other public or private groups to purchase and maintain the signage.

## **SJR 1001**

- Directs the Secretary of State to transmit copies of this Resolution to the ADOT Director, the State Transportation Board Director, the Mayors of Holbrook and Scottsdale and the captain of the Posse.





# HOUSE OF REPRESENTATIVES

## SB 1326

exempt wells; internal reference corrections

Sponsors: Senators Flake, Aguirre, Arzberger, et al

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**DP** Committee on Water and Agriculture

**X** Caucus and COW

House Engrossed

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SB 1326 corrects internal references regarding exempt wells.

### **History**

The Arizona Department of Water Resources (Department) regulates Arizona's five Active Management Areas (AMAs) which provide long-term management and conservation for groundwater supplies. The right to use groundwater within an AMA is limited and new uses are restricted by certain criteria and permits obtained through the Department. Exempt wells are permitted inside of AMAs if the Department has a notice of intent to drill (NOI) for the well. The NOI provides specific information regarding the location and measurement methods for each well and ensures that a licensed well driller will construct the well. Exempt wells have a pumping capacity of 35 gallons per minute or less and are not subject to groundwater regulation if the water will be used for non-irrigation purposes.

Laws 2005, Chapter 254, § 1, established certain conditions under which an exempt well cannot be drilled inside an AMA. The legislation added new sections to the statute however, it did not make the appropriate internal reference corrections.

### **Provisions**

- Corrects internal references in statute relating to exempt wells.
- Makes technical and conforming changes.



# HOUSE OF REPRESENTATIVES

## SB 1340

tax exemption; internet applications

Sponsors: Senators Bee, Aboud, Aguirre, et al

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DPA Committee on Ways and Means

X Caucus and COW

House Engrossed

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SB 1340 adds applications for educational purposes to the list of exemptions for Transaction Privilege Tax (TPT) and Use Tax collections, and to the list of exemptions for the telecommunications classification and the rental property classification.

### History

In the summer of 2006, the Department of Revenue (DOR) initiated an audit of Assessment Technology Incorporated (ATI). ATI is an Arizona corporation founded in 1986 to make assessment and planning services available to educational programs. Initially, ATI provided test scoring services using bubble sheets sent to clients through the mail. During their mail-based period, ATI did not pay TPT.

With the advent of the Internet, ATI developed new technology introduced in 1999 making it possible to provide the same educational assessment and planning services online. During the audit period, DOR made an assessment that ATI's Internet services were subject to the Arizona Transaction Privilege Tax (TPT).

Arizona allows certain exemptions to the TPT and Use Tax collections. Professional, business, personal and several other services, goods, and fees are exempt from TPT and Use Tax collections. SB 1340 includes internet applications for educational purposes in those items that are exempt from the TPT tax base, the telecommunications classification and the rental property classification.

### Provisions

- Exempts assessment application services designed to test student learning or promote curriculum design that are purchased by any school district, charter school, community college or state university from the use tax and the following activities under TPT:
  - Retail classification
  - Telecommunications classification
  - Rental property classification
- Defines *application services* as remotely provided software applications that use hypertext transfer or other network protocols.
- Defines *curriculum design or enhancement* as the planning, implementing or reporting on study or learning activities.
- Contains a retroactive clause back to taxable periods beginning January 1, 2000.

## **SB 1340**

### **Amendments**

#### **Ways and Means**

- Eliminates a cross references in the telecommunications section of the bill and replaces the cross reference with a definition of *curriculum design or enhancement*.